Daily Report

Latin America

FBIS-LAT-88-231
Thursday
1 December 1988

Daily Report
Latin America

FBIS-LAT-88-231 *1 December 1988*

CONTENTS

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Foreign Ministers on Need for Regional Summit *[AFP]* 1
Security Mechanism Approved *[Madrid EFE]* 1
Alfonsin, Sarney, Sanguinetti Sign Agreements *[TELAM]* 1
President's Congress on Redistributing Wealth *[Madrid EFE]* 2

CARIBBEAN

Cuba

Castro Arrives in Mexico for Inauguration *[Havana Radio]* 3
Talks to Mexican Press *[Havana TV]* 3
Accompanying Delegation Noted *[Havana TV]* 3
Attends Official Dinner *[Havana TV]* 4
Battle of Guisa's 30th Anniversary Remembered *[Havana TV]* 4
Castro Delivers Speech *[Havana Radio]* 4
Students Condemn Recent Telephone Destruction *[Havana TV]* 14

Dominican Republic

Former President Blanco Found Guilty *[Bonaire Radio]* 14
Jailed in Santo Domingo *[Bonaire Radio]* 14
Proclaims Innocence *[Santo Domingo Radio]* 14

Haiti

Avril Authorizes Col Paul's Widows' Release *[Havana Radio]* 15
Demonstrations Held Marking Day of Mourning *[Port-au-Prince Radio]* 15
Tear Gas in Cap Haitien *[Port-au-Prince Radio]* 15
Government Decree To Reopen 29 Nov Inquiry *[Port-au-Prince Radio]* 15
Correction To Avril Outlines New Economic Policy 16

Jamaica

Seaga Comments on Hurricane Relief Program *[CANA]* 16

MEXICO

Salinas de Gortari Announces New Cabinet *[Mexico City TV]* 18
Opposition Parties To Speak at Inauguration *[THE NEWS 25 Nov]* 18
Government Pleased With OPEC Agreement *[Mexico City TV]* 18
Debt Service Figures Indicate $88 Billion Paid *[UNOMASUNO 22 Nov]* 19
Government Sells Shares of Petrochemical Plant *[EXCELSIOR 25 Nov]* 19
Business Group To Buy AEROMEXICO Airlines *[EXCELSIOR 25 Nov]* 19
More Than 27 Tons of Marijuana Destroyed *[UNOMASUNO 23 Nov]* 19

CENTRAL AMERICA

Costa Rica

Arias Sends Letter to Region's Presidents *[San Jose Radio]* 20

El Salvador

Rivera y Damas Discusses Prospects for Peace
[Frankfurt/Main FRANKFURTER RUNDSCHAU 30 Nov] 20
FMLN Reports on Recent Military Actions 21
Ambushes Army Truck; Kills Four *[San Salvador Radio]* 21
Tracking Equipment Destroyed *[Radio Venceremos]* 21

Guatemala

Guerrillas Accuse Army of Peasant Massacre *[AFP]* 22
Guerrilla 'Extermination' Efforts Noted *[ACAN]* 22

Honduras

Report Issued on'89 Budget, Economic 'Crisis' *[Tegucigalpa Radio]* 23

Nicaragua

Ortega To Visit Gorbachev in New York *[ACAN]* 24
Ortega on Recovery Efforts, U.S. Relations *[East Berlin NEUES DEUTSCHLAND 25 Nov]* 24
USSR Grants $300-Million Credit, Donates Aid *[Managua TV]* 24
Communique on Cease-Fire Extension Issued *[Managua Radio]* 25

Panama

Solis Palma Addresses 'Group of 77' Meeting *[Panama City Radio]* 25
Solis Palma Comments on Economic Situation *[Panama City TV]* 27
Opposition Plan Reportedly Cleared With Bush *[MEDIODIA 30 Nov]* 28
Official Terms U.S. Plan on Taxes 'Violation' *[MEDIODIA 30 Nov]* 28
Legislator Says U.S. Embassy Pays Closed Media *[MEDIODIA 29 Nov]* 28
Ritter on Normalizing Relations With U.S. *[LA ESTRELLA DE PANAMA 30 Nov]* 29
'Possible Defection' of Cuban Government Official *[MEDIODIA 30 Nov]* 29
CONATO Forms Independent Political Party *[MEDIODIA 29 Nov]* 29
Foreign Minister Submits Bill for USSR Trade *[CRITICA 30 Nov]* 30
Official Says Wage Loss Hurts Social Security *[MEDIODIA 29 Nov]* 30

SOUTH AMERICA

Argentina

Alfonsin, Sarney Visit Ezeiza Atomic Center *[TELAM]* 31
Sarney on Bilateral Trade, Integration *[NOTICIAS ARGENTINAS]* 31
Uruguayan President Signs Tripartite Agreement *[TELAM]* 32
Departs for Uruguay *[TELAM]* 32
President Sarney Departs for Brazil After Talks *[TELAM]* 32
Alfonsin Leaves for Mexican Inauguration *[NOTICIAS ARGENTINAS]* 32
World Bank Grants $420 Million Housing Loan *[BUENOS AIRES HERALD 30 Nov]* 32
* Study Shows Categories of Independent Voters *[SOMOS 10 Oct]* 33

Bolivia

Central Bank Reports on International Reserves *[La Paz Radio]* 36
Special Forces Arrest 'Wanted' Drug Dealer *[Madrid EFE]* 36
Antinarcotics Forces Seize Drugs, Make Arrests *[PRESENCIA 19 Nov]* 36

Brazil

Sarney Arrives at Brasilia Air Force Base *[Brasilia Radio]* 36
Senate Committee Approves Charges Against Sarney *[Rio de Janeiro TV]* 36
Irrigation Accord With Soviets Said Possible *[Brasilia Radio]* 37
Japan Wants To Buy Uranium for Nuclear Fuel *[FOLHA DE SAO PAULO 29 Nov]* 37
IBGE Releases November Inflation Statistics *[Rio de Janeiro TV]* 37
Police Seize Cocaine, Arrest 15 Traffickers *[Madrid EFE]* 37

Chile

Pinochet Requests Resignation of All Governors *[Santiago Radio]* 38
Major General Gonzalez Named Chief of Staff *[Santiago Radio]* 38
Minister on Rapprochement With Eastern Europe *[Madrid EFE]* 38
Economy Minister on Economic Growth, Inflation *[Madrid EFE]* 38
* Political Negotiations With Opposition Advocated *[EL MERCURIO 26 Oct]* 38
Official Says Government Open to Dialogue *[Santiago TV]* 39
PDC's Aylwin Willing To Accept Candidacy *[Santiago Radio]* 39
Valdes Faction: 'Irregularities' Termed 'Serious' *[Santiago Radio]* 40
* Conservative Leaders Meet With Pinochet *[EL MERCURIO 21 Oct]* 40
* Likely Course of Economic Policy Viewed *[ANALISIS 24 Oct]* 42
Terrorists Attack Carabineros Van, Youth Injured *[Santiago Radio]* 44

Colombia

President Barco To Attend Salinas Inauguration *[Bogota TV]* 44
Truce With FARC, M-19 Fronts Signed in Cauca *[Bogota TV]* 44
* Status of Rehabilitation in Choco Reviewed *[EL ESPECTADOR 3 Oct]* 44
* Reasons for Lower Unemployment Presented *[EL ESPECTADOR 16 Oct]* 47
* Unemployment Concentrated in Under-30 Group *[EL ESPECTADOR 24 Oct]* 48
* DANE Unemployment Statistics Analyzed *[EL TIEMPO 27 Oct]* 49

Peru

Garcia Views National Issues With 'Optimism' *[Lima Radio]* 50
Garcia on 'National Cabinet,' Presidential Term *[Lima Radio]* 51
Union Calls National Strike for 1 December *[DYN]* 51
Government Declares Emergency in Navy Shipyards *[Lima TV]* 52
Eight Terrorists Killed During Clash With Army *[Lima TV]* 52
Report Shows Shining Path Violence Increase *[AFP]* 52
Agreement With the Soviet Union Signed *[Lima TV]* 53
Italy Gives Food, Medicine Worth $20 Million *[Lima Radio]* 53

Venezuela

Carlos Perez Speaks on 'Government Plan' *[Caracas TV]* 53
Defense Minister Comments on Border Incident *[AFP]* 54

Guyana

Hoyte Outlines Government Economic Recovery Plan *[CANA]* 54
Ruling Party Moves To Strengthen Secretariat *[CANA]* 55

Suriname

Smugglers Killed in Incident on Marowijne River *[Paramaribo Radio]* 55
Netherlands Mercenaries 'To Train' Brunswijk *[Paramaribo Radio]* 55
Citizens Express Support to Front Leaders *[Paramaribo Radio]* 56
Moederbond Trade Union Chairman Reelected *[Paramaribo Radio]* 56

Foreign Ministers on Need for Regional Summit

PA3011170488 Paris AFP in Spanish
1041 GMT 30 Nov 88

[Excerpts] Mexico City, 30 Nov (AFP)—The five Central American foreign ministers agreed here today on the need to hold "as soon as possible" a new regional presidential summit to reactivate the Esquipulas II peace process, but they are very reserved and cautious about setting a date for the meeting.

Foreign Ministers Alfonso Cabrera of Guatemala, Ricardo Acevedo of El Salvador, Carlos Lopez of Honduras, Miguel D'Escoto of Nicaragua, and Rodrigo Madrigal of Costa Rica began an "informal" 2-day meeting Tuesday night in Mexico City. They are here to attend Thursday's inauguration of new Mexican President Carlos Salinas de Gortari.

The five foreign ministers announced the agenda to be discussed during the Mexico meeting, and they all agreed on the need to hold, as soon as possible, a new summit of Central American presidents to revitalize regional peace negotiations.

However, Foreign Ministers Cabrera and Madrigal warned that the Central American summit cannot be held "unless previous [words indistinct], which make it feasible and useful." [passage omitted]

Salvadoran Foreign Minister Ricardo Acevedo also said he was in favor of holding the new Central American presidential summit, but he insisted that the area foreign ministers should first seek specific alternatives to overcome the stalemate in the regional peace negotiations. [passage omitted]

Meanwhile, Honduran Foreign Minister Carlos Lopez and Nicaraguan Foreign Minister Miguel D'Escoto said they were also in favor of reactivating the Central American peace process, but they voiced completely different opinions on the factors that have blocked the process.

Foreign Minister Lopez said the Central American negotiations cannot make any progress as long as Nicaragua maintains its charges filed against Honduras at the International Court of Justice at The Hague, because "that is an outrage against a country that is seeking peace."

D'Escoto, on the other hand, flatly denied that the trial against Honduras at The Hague "could block regional negotiations, because that case came before the signing of Esquipulas II." [passage omitted]

Security Mechanism Approved

PA0112013388 Madrid EFE in Spanish
2157 GMT 30 Nov 88

[Text] Mexico City, 30 Nov (EFE)—The foreign ministers of Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua today approved the establishment of security verification mechanisms in Central America.

Costa Rican Foreign Minister Rodrigo Madrigal said in Mexico it is expected that a letter will be signed today requesting UN Secretary General Javier Perez de Cuellar to establish a technical verification and follow-up subcommission.

Spain, the FRG, and Canada have offered to make up the subcommission, which would operate specifically on the Nicaraguan-Honduran border.

Madrigal said it is possible the secretary general of the OAS, Joao Baena Soares, from Brazil, and a Latin American country to be appointed by Perez de Cuellar, could join the security verification and follow-up commission.

Guatemalan Foreign Minister Alfonso Cabrera Hidalgo said that during a second round of talks among the Central American foreign ministers, they discussed the request to the United Nations, and "substantial progress was made" and therefore they expect to sign the document.

Costa Rican Foreign Minister Madrigal said once the document is signed, it will be delivered to the United Nations representative who is in Mexico for the presidential inauguration of Carlos Salinas de Gortari.

The foreign ministers view the creation of the verification and follow-up mechanism as a big step in the Esquipulas II peace process because this mechanism calls for monitoring areas of conflict to prevent arms trafficking and destabilization of other nations.

Cabrera Hidalgo and Madrigal said the possibility of holding a new Central American "summit meeting" will be discussed today and therefore, they agreed to reactivate the Esquipulas Executive Commission, composed of the foreign ministers.

The next executive commission meeting will take place, according to the plans made by the ministers, in Managua, during the first half of December. The presidential meeting is to take place in San Salvador, on a date to be established.

Alfonsin, Sarney, Sanguinetti Sign Agreements

PY3011184588 Buenos Aires TELAM in Spanish
1621 GMT 30 Nov 88

[Text] Buenos Aires, 30 nov (TELAM)—Today the presidents of Argentina, Brazil and Uruguay, Raul Alfonsin, Jose Sarney, and Julio Maria Sanguinetti respectively, signed tripartite documents designed to strengthen the integration between those countries. The signing took place at the Olivos Presidential Residence. It is believed that this is a historic step in the integration of the southern cone countries.

As part of the integration process the presidents signed two tripartite agreements and a land transport accord.

The second tripartite decision says the presidents evaluated the results of the first tripartite decision, the new projects to be carried out with Uruguay, and the process of integration and economic cooperation between Argentina and Brazil in accordance with the terms of the first tripartite decision.

The second tripartite decision adds that according to evaluations made, the presidents stated their satisfaction over the transport agreement and its annex which was signed today.

The document says that in order to continue with the process of incorporating Uruguay in the terms expressed by the first tripartite decision, the fields for study and negotiation should include communications, biotechnology, and public administration.

The document adds that the presidents decided to create work groups which will begin an immediate study and an eventual negotiation of the various fields in order to make the integration more effective.

The groups will have to report their agreements to their governments within 90 days.

The third tripartite decision says that the three presidents expressed their willingness to continue with the integration process and with the association of Uruguay to the integration, cooperation, and development treaty signed by Argentina and Brazil.

The three presidents also agreed on the need to study the ways and specific conditions for associating Uruguay to this new stage of the intergration process, through the signing of the appropriate legal documents.

The coordination of this process will be made by the Foreign Ministries of the three countries through periodic contacts.

President's Congress on Redistributing Wealth
PY2911164888 Madrid EFE in Spanish
0323 GMT 29 Nov 88

[Text] Sucre, 28 Nov (EFE)—The conference of Ibero-American Congress Presidents will urge the two superpowers to use the resources resulting from disarmament to redistribute wealth to the developing countries.

Bolivian Vice President Julio Garrett Ayllon said today that the conference would like to solve the poverty problem with these funds.

Garrett, who presided over the opening of the 6th Conference of Ibero-American Congress Presidents today in Sucre (740 km east of La Paz), made the proposal to "prevent the widening of the existing gap and the aspirations of the Third World countries from being postponed."

The Bolivian vice president, who is also president of the Bolivian Congress, said that during the meeting they "will seek to obtain economic resources resulting from the disarmament process started by the United States and the Soviet Union for the development of Latin American countries."

Should this aid not be given, he said, "Those funds will unfortunately help the industrialized countries improve and increase their technological development, thus postponing the aspirations of the underdeveloped countries, which are greater in number and have the highest mortality, unemployment, and illiteracy rates."

In Garrett's opinion, the distribution of world wealth should be the first proposal made at the meeting of Ibero-American Congress.

The vice president also said the Spanish Parliament needs to act as a bridge between Latin American and industrialized countries.

Garrett hopes that the idea of Spain organizing a meeting of Latin American congressmen with those of the Group of Seven—that is, United States, France, the FRG, Italy, Japan, Canada, and Great Britain—will gain ground during the meeting in Sucre.

The Spanish delegation, headed by Felix Pons Irazazabal, president of the Chamber of Deputies, is now in La Paz because the aircraft that will take them and a large group of Bolivian journalists to Sucre is grounded due to poor weather.

After the opening session, the first working session will be held, during which the representatives will discuss subjects related to the Bolivian Congress. The Spanish delegation will note the 10th anniversary of the country's Constitution.

Cuba

Castro Arrives in Mexico for Inauguration

FL0111000188 Havana Radio Rebelde Network in Spanish 2345 GMT 30 Nov 88

[Text] Commander in Chief Fidel Castro has just arrived in Mexico City, according to PRENSA LATINA reports. Our journalists Cesar Arredondo will give more details.

[Arredondo] Here I have a PRENSA LATINA report that says President Fidel Castro arrived in Mexico City to attend the inauguration of President-elect Carlos Salinas de Gortari to be held tomorrow. Vice President Carlos Rafael Rodriguez, Interior Minister Jose Abrantes, Foreign Vice Minister Jose Viera, and Cuban Ambassador to Mexico Jose Fernandez Cossio are accompanying the Cuban chief of state.

Fidel Castro arrived on Mexican soil at 1650, local time. He lived in Mexico as a political exile 32 years ago. He left Mexico aboard the "Granma" yatch to free his country from the Fulgencio Batista dictatorship in 1956.

Other Latin American presidents are here with the Cuban leader to witness the transfer of power ceremony at the Mexican Congress tomorrow.

Talks to Mexican Press

FL0212024888 Havana Television Service in Spanish 0100 GMT 1 Dec 88

[Text] We report to you from Mexico City. President Commander in Chief Fidel Castro is in the Aztec capital to attend the inauguration ceremony of President-elect Carlos Salinas de Gortari. The chief of the Cuban revolution arrived in the Mexican capital this afternoon. A Cuban television news services crew transmits for you from the Aztec capital.

[Begin recording] [Video shows Castro getting off plane and being greeted by a group of people; Castro is then seen speaking to the press]

[First reporter] Mr President, how significant is your visit to Mexico after 30 years?

[Castro] First, I would like to tell you that I had an excellent trip. The weather was very good. I was surprised to see how much the city has grown in 32 years. I am really very pleased for setting foot on Mexican soil once more, 32 years after I left. It was more or less on 24, yes on 24 November 1956. I am truly very pleased.

[First reporter] How do you see the (?level) of democracy in Mexico?

[Castro] This is a different kind of question which departs from the greetings you asked me for.

[Second reporter] What do you think about Gorbachev's visit to Cuba?

[Castro] Well, we expect him within a few days. We are very pleased. I believe it is going to be very useful for relations between Cuba and the USSR. They are very good, of course. This visit will help to make them closer.

[First reporter] Will you hold a bilateral meeting?

[Castro] Well, it depends. The only thing I have is the official program.

[First reporter] When do you return?

[Castro] As soon as possible to avoid creating work for people here in Mexico, especially for you reporters, so you can rest because I imagine you have a lot of work these days.

[First reporter] Commander, since you have not been here for many years....

[Castro, interrupting] Are you the owner of the press or what? What is this?

[First reporter] [laughter] What kind of greetings would you give the Mexican people?

[Castro] An embrace to the Mexican people. I would like to tell them that I am deeply moved for being here in this city, in this country, again because it is very loved and dear. For us, it is like a second fatherland. Thank you very much. [end recording]

Accompanying Delegation Noted

FL3011144388 Havana Tele-Rebelde Network in Spanish 1200 GMT 30 Nov 88

[Text] Commander in Chief Fidel Castro Ruz, president of the Councils of State and Ministers, will attend the inauguration of the new president of Mexico, Carlos Salinas de Gortari, scheduled for tomorrow, 1 December.

The Cuban delegation also consists of Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers; Jose Abrantes Fernandez, minister of interior; Jose R. Viera Linares, first foreign vice minister; and Jose A. Fernandez de Cossio Rodriguez, Cuban ambassador to the United Mexican States.

As announced by the commander in chief during the ceremony marking the 30th anniversary of the Battle of Guisa, because of the trip to Mexico, the ceremony which will proclaim Havana ready for defense, first stage has been postponed until 5 December which will be considered Defense Day in Havana City.

Attends Official Dinner

FL0112154188 Havana Tele-Rebelde Network in Spanish 1200 GMT 1 Dec 88

[Text] The first night spent in Mexico by Fidel Castro, president of the Councils of State and Ministers of Cuba, enjoyed a climate of mutual respect with his other Latin American colleagues.

According to PRENSA LATINA, the Cuban leader attended the official dinner given by outgoing Mexican President Miguel de la Madrid. He also conversed with leaders Virgilio Barco of Colombia; Jose Napoleon Duarte, El Salvador; Vinicio Cerezo, Guatemala; Jose Azcona, Honduras; and Daniel Ortega, Nicaragua.

At the presidential office of the National Palace in Mexico City, the Latin American statesmen began arriving and had pleasant and courteous conversation. The ambiance—in the small and warm office which was full of photographers and television reporters—was exciting. For the first time in history, four Central American heads of state and Fidel Castro were together.

Battle of Guisa's 30th Anniversary Remembered

FL3011234088 [Editorial Report] Havana Tele-Rebelde Network in Spanish at 2330 GMT on 29 November begins recorded coverage of the main ceremony marking the 30th anniversary of the Guisa Battle held at the Guisa Stadium, Granma Province, earlier in the day. A close-up is shown of an unidentified man being decorated with several medals.

While the camera pans some officers and the large crowd in attendance, an off-camera announcer provides historical background information on the Guisa Battle. He says the battle was fought between 20 and 30 November 1958. The announcer notes that this battle was decisive and led to the defeat of the Batista Army. He says the Guisa Stadium is full of workers, peasants, students, Pioneers, members of the FAR and Interior Ministry, and residents of the area.

Military music signals the beginning of the ceremony. A shot of President Fidel Castro is shown, who is standing with a large group of government and PCC leaders. PCC Politburo members Carlos Rafael Rodriguez, Vilma Espin, Esteban Lazo, Jorge Risquet, and Armando Hart can be identified among them. Army General Raul Castro is not seen. The national anthem is played.

After taps and salvos, Vice President Carlos Rafael Rodriguez begins reading the Council of State's proclamation conferring the Maximo Gomez Order, first degree, to Fidel Castro; Raul Castro; and Juan Almeida. He also says that the Maximo Gomez Order, second degree, has been conferred to Abelardo Colome Ibarra, Guillermo Garcia Frias, Ramiro Valdes, and Efigenio Ameijeiras Delgado. The Liberation Order, first and second degree, is conferred to those who participated in the founding of Jose Marti column one and the rebel Army. Members of the "Granma" expedition and other founders of column one, who were part of it before the Uvero Battle, are conferred the Combatant of the Jose Marti Column One Medal.

When Carlos Rafael Rodriguez ends reading the proclamation, a young soldier is seen pinning the medal on Fidel Castro's chest. An off-camera girl identifies the soldier as 21-year-old Jorge Pineiro Sarmiento. She says he is "an internationalist soldier, member of the Union of Young Communists since February 1985. He fulfilled a mission in the People's Republic of Angola for 25 months and returned last August. He formed part of the first tactical group of the Cuban troops that arrived in Cuito Cuanavale as reinforcement on 21 January 1988 to defend, together with the FAPLA [People's Armed Forces for the Liberation of Angola], that heroic place. There, he worked as ramrod and chief of tanks. Because of the oustanding fulfillment of his mission, Jorge Pineiro was decorated with the Defense of Cuito Cuanavale Medal; the Internationalist Combatant Medal, first class; and the Distinguished Service Award. This young combatant is currently studying at Veguitas' Abel Santamaria military preuniversity school to later pursue a university career."

Castro is then seen pinning medals on Colonel Efigenio Ameijeiras Delgado, Division General Abelardo Colome Ibarra, and Commanders of the Revolution Guillermo Garcia Frias, Ramiro Valdes, and Juan Almeida Bosque. Castro is seen greeting the founders of column one. The founders then step forward to receive their medals from a group of leaders of the revolution. The announcer mentions that over 700 combatants and founders of column one are present to receive their medals. He notes that members of the Mariana Grajales women's squad are also present. Vilma Espin is seen presenting medals to some of them.

While the medals are being handed out, the camera pans the crowd. People are observed waving numerous Cuban flags and carrying some signboards. One of them reads: "U.S. Government: be advised that our people, our party, our leaders will never rent themselves, will never sell themselves, and will never surrender."

After all the medals are presented, a Pioneer girl introduces Fidel Castro and he begins delivering a speech.

Castro Delivers Speech

FL3011043088 Havana Radio Rebelde Network in Spanish 2131 GMT 29 Nov 88

[Speech by President Fidel Castro during the main ceremony marking the 30th anniversary of the Guisa Battle at Guisa, Granma—live]

[Text] Comrades, combatants of the Jose Marti column one, Comrades of the FAR, Comrades of the Territorial Troops Militia from Guisa and Granma, Comrades from

Guisa, people from Bayamo, fellow patriots. The old rebels do not favor ceremonies or medals, I should say decorations. But there are times in which there is no other choice but to hold a day such as this, for example. It is also a day of deep and endless emotions. I was telling some comrades that during days such as this, we cannot blink, because if we do, we would cry.

We remember the year 1958 as a year in which important and decisive events in our revolutionary struggle in the mountains occurred. It can be said that there was not a month, or a single day in 1958 in which important events worthy of being remembered did not take place. This is why, despite the great work we are all involved in during this year, when some comrades reminded us that it was the 30th anniversary of the Guisa battle, I arrived at the conclusion that we could not do as we have done in other years, but we had to meet at least once, to mark, not only the Guisa battle, but all the battles that were waged during that year before and after Guisa.

It was the year in which the columns that founded other war fronts were initiated and created—the second and third fronts. It was the year in which practically all the rest of the fronts were created. It was the year of the April strike in which our small Army made such a determined effort to support the strike. It was the year of the great and last offensive of the forces of tyranny against the Sierra Maestra. It was the year of the creation of numerous columns which marched, some of them once more and others for the first time, toward other areas of operations, including Camaguey Province. It was the year of the invasion, and the invading columns which, in the middle of very difficult natural and military conditions, covered almost 300 km, covered around 300 km, and arrived at Las Villas Province.

It was the year of the counterattack. It was the year of final battles at each of the fronts and of the final attack of column one's small Army—out of which practically all the rest of the columns came, founded guerrilla fronts, and always had new people.

When I tried to imagine how many comrades were part of column one during the 25 months of the war, I was figuring it out and I realized it had to be a large figure—not only because of all of those who participated beginning with the "Granma" landing and the ones who participated during the first weeks and months of the regrouping of the guerrilla movement, but also those who participated in combat up to the Uvero and afterwards, and those who participated in the offensive. Finally, several forces met again in what can be called the first front and we again constituted one Army. It included Camilo who was in the plains and we asked him to return to the Sierra during the days of the offensive. When I remembered all of those who participated in that offensive, the hundreds and hundreds of men who took up arms, over 1,000 men participated in that area alone. The fighting began with almost 300 men—in reality the fighting began with only 180 men. Later there were more as third front forces arrived—the forces that were east of the Turquino, and Camilo's small Army composed of some tens of men—and in the end over 500 weapons had been captured. When the columns were organized again, there were over 1,000 men.

I was also remembering that during the final stage, when we left the Sierra Maestra, we had a squad of men there, at the place we could call La Plata headquarters, where the various columns traveled from, where the political battle was waged against the elections. It was a squad and the column was created again with several squads that were in different places. Some were close to Manzanillo. With that first squad and a few others who joined, plus 1,000 unarmed recruits, column one began to operate again. There were approximately 1,000 unarmed recruits. They were the ones who left the Frio mine following the squad. Absolutely all those men were armed in less than 40 days with the weapons taken in Palma Soriano.

Therefore, it is not strange that hundreds and hundreds of men from the column one received medals. Many of them, of course, participated in other columns and other fronts. There is still a large number of comrades who have yet to receive the medal.

On this day in which we remember the Guisa battle, which took place from 20 to 30 November—10 days—we commemorate them all. In a way, it was a symbol of the experience acquired by the rebel combatants and chiefs. A lot had been learned, of course, and in a short period of time. From the time we landed until the final stage, something was learned each day. New experiences were assimilated each day. This made it possible for us, in the final stage, to practically do what we wanted with the enemy.

In reality, when column one arrived in Guisa, we had first contemplated the idea of capturing the company that was left as a garrison at the Bueycito mines. While we got close with some squads—and I believe we did not need more—we had asked one of the squads to intercept the company's withdrawal. In reality, as we got closer, the squad that was assigned to that mission was caught somewhat unprepared, and the soldiers fled before we arrived to that point. Our main objective was to take the 100 weapons of the company that was lost.

We continued to move. Days later, two more squads joined with a little over 50 weapons and, of course, we immediately armed a little over 50 recruits. When we arrived here, it was not an Army of veterans, it was mainly an Army of recruits with some experienced cadres, some experienced cadres [repeats himself] such as (Curuno) and other comrades—(Curuno) came with his already famous 50 machine guns—new people, there was a comrade (?who was called) engineer who was in charge of the mines, and the chiefs of various squads, many of them new. When we arrived here we had

approximately 180 men. In Bayamo we had the operations command post of the enemy Army. In Bayamo we had the most experienced troops of the Batista Army. We estimated them to be composed of around 5,000 men between the garrisons detached in Bayamo and the surrounding areas, besides the possibility of receiving reinforcements from Holguin and from other areas.

I believe the most significant aspect of this combat is that a small troop of new people who did not have experience in war, together with a few cadres with some experience, initiated operations against the main force of the enemy Army. The people were organized 12 km from the main highway. They were just a few kilometers away from the command post that not only had artillery, but a number of the most powerful tanks available. We were using Sherman tanks. I think they're called M-4's. I don't know their technical name. They also had some other medium-sized tanks but they not only had this type of equipment; they also had aviation which was one of the most important elements the enemy had.

As I said, we did not have a road. It was the first time we would confront them and we did not have a road. The battles were no longer taking place in the most complicated areas of the Sierra. The battles were the ones where the offensives occurred, in Santo Domingo, La Plata, all those places, La Magdalena, El Jigue. These were the battles in the territory where the plains begin, from the end of the roads to the [word indistinct].

Anyone now who hears about the battle of Guisa says, well, two large Armies must have confronted each other. There was only one great Army, Batista's Army, and several squads bound together in a small rebel force.

Nevertheless, I had no doubt that we could do this because of all our experience in the Sierra, because of all the tactics utilized during and after the offensive. It was a matter of adapting to fighting in the plains. However, as long as the enemy had tanks, canons, motorized units, aviation, and communications of all types, we had no other method of transportation but our legs. We all were on foot.

We had no other communications except messengers and the only weapons we had were rifles, the majority of which were bolt-action rifles while the rest were semi-automatics or carbines. We could say that we had nothing more than rifles and mines. We had three [as heard] very powerful enemies with many academy-trained officials and with supplies brought to them on transports. They also had other advantages. No one could have imagined that with such scarce resources actions of that nature could be undertaken against so many heavily armed troops. I'm not going to give the history of those events. I'm trying to point out a few lessons.

It's well known that in recent days, comrades conducting historic research published a summary that many people may have had an opportunity to read. The interesting thing about the report is that they used historic documents that were saved. Who thought about saving papers at that time? Only a few people gave it any thought, the Celia [Sanchez Manduley] company took the responsibility for making copies of many of those messages. How many messages were there? It's possible that the entire history of the war was included in those messages. How many messages were they able to save and how many were actually lost? Everything was written down because all our communications were based on written messages except during certain times when, during the offensive, the last enemy offensive, telephones were used in the Sierra Maestra campaign but in a limited fashion and for short periods of time.

Historians used those messages to write the part on the war. I'm still trying to figure out how an error could have been made on the war section. They asked me to speak to them on this material. Of course these are things that no one forgets, the things someone has lived through. Each person lived his own experiences, some as soldiers in a squad or in a certain location. Others were chiefs of cadres or squads. I lived through all those actions with the responsibility I carried at that time. Of course I remember it as if it happened yesterday. I remember each of the details.

The battles of the 26th were written in the historical analysis as taking place on the 25th. The battle in which we surrounded one of the reinforcement battalions that included two tanks took place in the area near the highway that leads to Guisa. The historical account says it took place on the 25th. The researchers were going crazy trying to explain what happened on the 26th and the 27th. It looked like the battle took place for over 60 hours. I told them that this was not the case. If a few more hours, a few more hours [repeats himself] were taken to rescue those injured, battered, and demoralized soldiers, you wouldn't have been able to rescue them at all.

I asked the researchers about the section on the war. They reported the war from papers that were saved from that time. It was written on a typewriter. Evidently I had written the war part by hand, as I always do. We had advanced so much, progressed so much, that we almost had become bureaucratic. Someone with a typewriter went to the trouble of typing the handwritten account to send it to Radio Rebelde. I saw the handwritten part. The one written on the typewriter was the one that was saved, not the handwritten part. I saw that it said the 25th. I revised the war part because it had a lot of typos. I corrected certain things. The war report has notations in my handwriting indicating corrections but it's the version that was typewritten, not handwritten. It seemed very strange to me that it is said the 25th because the same handwritten [corrects himself] typewritten version mentions the 25th and later mentions the 27th as if

nothing happened on the 26th. The confrontation with the enemy Army was on the 26th. I said, it wasn't on the 25th; it was on the 26th. Everything that says the 26th, which now has been changed to the 25th, agrees with the enemy's account in their official reports, in their official communiques. It was very obvious that there was an error in the transcription. The error could also have been made in the handwritten part but it was more likely that the error occurred in the transcription because there were many other errors. However, I didn't see the mistake when I reviewed the report and the date remained the 25th. A 36-hour combat almost became a 60-hour combat. That's why much care should be taken in all historical research and in the description of the events.

The historic account also indicated that I had met with the captain, chief of the Guisa garrison, that I had written to him. Yes, I wrote to him but we did not meet at any time. However, someone else thought I did. Someone must have confused it with other meetings. The meeting at the Guisa barracks with the chief of the battalion in Mas, whom I met with more than once, was never mentioned.

One must take great care in conducting historic research. The comrades who conducted the research are greatly experienced. They know about things that we can't remember because they have reviewed everything point by point, house by house. They have an itinerary. They've spoken with hundreds of people and, of course, its natural that we can't remember about the houses we were in during a 10-day period but we can remember all the events of that combat that we named the Guisa battle.

There was another error that I had an opportunity to clarify to the comrades. Pupo [no further identification provided] was said to have been taken prisoner on the 27th. I saw Pupo here and he looks almost the same as he did in those days. He was taken prisoner on the afternoon of the 30th when we sent a squad after the army as they retreated on the highway. When I thought the squad had left, I told Pupo: Catch up with the squad and warn them. Tell them to be very careful not to fall into the ambush that's probably waiting for them.

An order had been given to set up an ambush. However, the messenger actually left before the squad did. Then our problem was how to warn Pupo, who left ahead of everyone else. We sent people out to catch up with Pupo but they didn't get to him in time and he was taken prisoner that night. He thought he was speaking to our people, but he was actually speaking to a company of the Batista Army which was retreating. All this occurred on the 30th.

I think we should collaborate with and help the historians. We can all be broached. After being revolutionaries for so many years, we have devoted so little time to what can be considered its historic reconstruction. This may not seem important to us, like the messages and the papers. No one thinks about history. No one thinks about what will be written down. Things are done normally and no one thinks about it. However, later generations have an enormous interest in learning about what happened. There is no doubt that each one of us, and I have criticized myself on this, has the responsibility to at least try and reconstruct the historic events in which we have participated so that history is not altered, so that the essence of everything that occurred is preserved just the way the events happened.

With our cooperation, the researchers can do even better work because they have collected lots of data and have interviewed hundreds, if not thousands, of people and, in reality, have done magnificent work.

Many things occurred during those days. We can now speak about what could have happened. When one reads the Batista Army's internal communications, one can see that they were truly desperate and I think that it could have been worse for them. I think that those who got away from the trapped battalion may not have been able to do so. They left a tank. They had dozens of deaths, dozens of injuries. Looking back at this point, we can wonder if one thing or another would have been better on that night of the 26th, when we had only 15 mortars left and a few reserves remained with Calixto [Garcia], who had 100 bullets per man. Calixto met up with us the night we arrived here.

I think I have to give more details for some comrades. I have to be more specific with what occurred with the tank, especially with the tank that attacked the barracks on the 28th, from the 28th to the 29th. Some of these statistics have to be more specific. We can do this with the help of a few comrades I know.

That battalion, however, was completely trapped. They were in the middle of crossfire from three directions. A comrade was over there, from a position he had already chosen. I had asked him to fortify that position. We asked the comrades to let the battalion enter and then it was a battle in which the reinforcements wanted to save the reinforcements.

The 26th passed. The comrades that defended the most advanced positions almost used up their bullets. There were two other alternatives: send the small reserves to the advanced positions to try the next day, the 27th, the night our reinforcements would arrive, or try and capture the battalion that night. This is what we quickly tried to do. We said: Let's eliminate this battalion, take their weapons, and arm ourselves here. There were about 400 men. We tripled the forces. No one knew what would happen. This is what we ended up doing.

The reserve unit used up all their bullets. We fought the entire next day, the 27th, almost without bullets, with very few bullets. With their large, heavy tanks, they were able to reach at night the area in which the battalion was

surrounded. They made a small opening and escaped with the help of the tanks. They dragged one of the tanks with them. They couldn't take the other one; we captured it. That same night, we also took 35,000 bullets. We had bullets once again.

Reading this material now—I had never before read those communications that were gathered by the historians—it's obvious that the situation was truly desperate. The communications include the statistics on the bombs they dropped, the bullets they spent, the rockets they used, etc. If I had known this, their fear would have been greater.

We placed a lot of importance on this battle. We knew it was decisive but we couldn't imagine how desperate the situation was on the other side. The situation could have been much worse, especially, if on that day we had captured the battalion that was close by. On the last day, they came at us from all directions. We were in a noticeable location. The enemy could try and surround us. We had to maintain vigilance. The enemy had enough forces to completely surround us. We decided that the 30th would pass.

We knew that the hill the colonel [no further identification provided] had defended is the one that had prevented the tanks from passing. The roads in front of the hill were mined. The tanks couldn't pass through there because they'd blow up. The infantry couldn't remove the mines because they'd come under our fire. The tanks couldn't pass because of the rifles and the mines.

I thought: They're going to try and surround the hill. They're going to surround it. This was the order they had but they couldn't fulfill it. We had prepared some mortal traps for them to the west of the hill that (Porono) had defended. Enemy troops arrived here in the east. There was a single squad in that direction and they got through. That was not really a problem because the more that got through, the more we captured.

However, on the night of the 29th, we moved troops out to strengthen our positions and that quadrant remained without troops. It was on the 30th—the reinforcements could not pass on the 30th—that those who were there and those who got through escaped. I think the decision we made was correct. It was prudent. It was wise. As risky as the actions were, as reckless as they were, as bold as they seemed, we always studied the variables, what we would do to prevent being surrounded, to avoid being surprised, to guarantee the security of the troops. At that moment, what we did by moving the forces, moving the squad from the northeast of Guisa to the west, was the correct thing to do. If the same thing happened today, the exact same thing would have to be done because it was the type of operation that corresponded to the situation and we had predicted the enemy's plan.

Even though some troops did get through, the reinforcements couldn't. They tried to escape. If a squad had been there, they wouldn't have been able to escape. I believe, according to the historians, that they had family members and other people with them. Those who broke through and the others already there would have been defeated with just a few shots.

These are the lessons learned from those events. Are these lessons useful? Yes, they are of enormous use because they show what a man, a revolutionary, can do. It shows what can be done in view of immense obstacles, in view of difficulties that seem insurmountable.

It was a very decisive battle. We then continued toward Baire, Jiguani, Contramaestre, Mas, [words indistinct] Palma, the Bayamo Army was neutralized. They did not participate in those actions. At the end, they joined us on 3 January because they felt admiration for us. They felt respect for the rebel troops, for the nobleness of our troops, because we didn't mistreat prisoners, because we didn't kill prisoners, because we took hundreds of prisoners and they were always treated with respect.

At the end, they received me there as I'd never been received any where else. We truly united. On 3 January, 2,000 soldiers of the troops that remained there joined us. They were willing to fight alongside us because those battles had truly impressed them. The battles earned the admiration of the enemy forces.

This part of our history teaches us what a people can do when they want to fight. Actions could be planned and the rebels undertook actions of this type in many areas. What our two small columns did from the Sierra Maestra to the Villas was incredible. They were in distant territories, swampy areas. They had hurricanes. Airplanes flew over them. This was the same case everywhere, in all the fronts.

Our troops, with a minimum number of weapons and people, resolved problems that were truly very difficult. They confronted an Army with 80,000 armed men, sailors, police, and soldiers. The two frigates belonging to the Navy were being blocked in Santiago de Cuba. A group of men with machineguns from the (Lazo Capa) would not let them out. All the rules were broken. All estimates were changed.

Imagine what a people like ours today can do with millions of armed men and women who have hundreds of thousands of automatic wepons, a considerable amount of artillery, tanks, and other weaponry. They are trained; they have experience. What shooting training did our recruits have? They had none. They were trained with empty guns. There were not enough bullets to teach them to shoot, not even .22-caliber bullets. Empty guns were aimed at the target. For many of the recruits, the first shot they took was in combat. Our recruits were not skilled in aiming but they would shoot at a truck or a

soldier from here to there. With 15 or 20 rifles, it was impossible not to hit a truck or cause many casualties. They fought from close up. They truly [word indistinct] their weapons.

We learned some things from the inexperience of the recruits. They did not have good ambush training. A recruit would become careless and allow himself to be seen and the enemy would become aware of the ambush upon entering the area. That's how the enemy escaped a few ambushes. However, our recruits had no training. Nevertheless, what they did was undoubtedly incredible. They were now inspired by the actions of those who preceded them. Our recruits would do anything in combat and they acted very bravely and without any preparation.

What could a people with millions of men and women who are trained, organized, and armed do today? We would not like to have to use all this experience again. We would not like such things to be repeated. On the contrary, we hope they remain as things and experiences of the past. We cannot give up these experiences because we still have a powerful enemy. It is no longer Batista; it is the Yankee empire with its cynicism, its treacher, its might, its opportunism, always dreaming of the day they can crush or eliminate the revolution. This is why we cannot forget these lessons. This is why we can't forget what happened with a group of men with rifles. This is why we can't forget that a few dozen people confronted a few hundred and a few hundred people can confront a few thousand. These are very valuable lessons that should not be forgotten as long as the fatherland is exposed to any danger, as long as there is a threat to the fatherland. This is the value of this experience.

These lessons later multiplied in all aspects of the revolution and in all its accomplishments over the next 30 years. It was truly very moving for me. The decision of the Council of State to award these medals was more moving than the remembrance of the events that were described. This time I got a medal. Everyone knows how allergic I am [interrupted by applause] to decorations. The thing that moved me the most about this medal was that they had the wonderful idea of choosing no one less than a young combatant from Cuito Cuanavale to present it to me. [applause]

Great feats, great feats [repeats himself] also occurred there. We could say that it was the spirit of the Sierra Maestra, the accumulated experience of our people over all these years. This experience was demonstrated there in the internationalist mission of Angola.

The situation in Cuito Cuanavale was truly unbearable and we weren't there. We had to make the decision to send forces to resolve a situation, to help resolve an unbearable situation created by the intervention of powerful South African units trying to eliminate Angolan troops. A brilliant page in military history was truly written there and not by a lot of men, not by a lot of men [repeats himself]. There were only a few hundred men there, maybe a thousand or more with modern weapons and with the support of our aviation. We have to say that there in Cuito Cuanavale, the pilots matched, and not only matched, but surpassed the feats of Playa Giron. In Playa Giron [interrupted by applause] In Playa Giron, the fighting lasted a few hours, about 60 hours. In Cuito Cuanavale, our aviators fought for entire weeks, day and night, to neutralize the enemy forces. They managed to neutralize enemy antiaircraft equipment and they carried out hundreds and hundreds of missions with impressive success.

I want to say that the experience of our people in the military area has been especially enriched and wherever actions have been conducted with this spirit, success has followed. What are our small units, squads in motion, troops that defended roads in comparison to the strategic operation led by our FAR in Angola? Sometime this history will have to be written. The historians will some day have to rummage through all the papers, and there are papers, many papers, because practically not a single piece of paper has been lost.

Our people continued writing glorious pages with the same spirit during the past 30 years in Giron, in the Escambray, during the October Crisis, in internationalist missions. The experience accumulated by our people and our FAR is far greater today. We have not ceased learning since the moment the "Granma" landed. This is a wealth of experience that we should appreciate. We can't forget because, I repeat, the empire is still powerful. It threatens us. It wants to eliminate the revolution some day either with weapons or by eroding the military or ideological struggle or by using all these factors plus its blockade and constant economic measures, its constant measures against the revolution. They will not be successful. They will not be able to do this in any way. [chuckles] They will not be able to do it militarily, economically, or ideologically. [applause] If there is, if there is [repeats himself] any fool that makes this mistake, he will have ignored the history of this country. He will have ignored the history of this revolution as it has emerged and developed in order to think that the heart, intelligence, and powerful fist of our people can be confused.

We have continued to create the impression of an invincible and indestructable force. Hopefully, we won't have to use it; that's what we hope for the most. Hopefully, we won't have to use it against new and larger tests. Hopefully, our new generations will not have to go through these tests and, hopefully, our troops will return from Angola soon.

We have worked hard on the negotiations, although without any anxieties or impatience. Our negotiations have been based on principles. More than a year ago, it was decided, based on principle and firmness, to reinforce those troops based on that crisis we spoke of in

Cuito Cuanavale. We combined all units, all troops, in order to be victorious, to squash the enemy if necessary and the enemy understood this.

We've always said, however, that we aren't seeking military victories; we're seeking fair political solutions. That is why we are fighting. We don't want military victories at the price of sacrificing the blood of a single compatriot. This revolution has never fought for glory but it has always been firm in confronting danger, in running the necessary risks. In situations such as this, we have always been guided by the philosophy of being sufficiently strong to win, to be sufficiently strong and without hesitations so that the alternative of defeat does not exist. That's also the way this last glorious episode occurred. It is possible that peace and the political solutions that we demanded may finally be attained and we may bring back our troops. This has to be done without anxiety, with patience, because what has made this possible is our firmness, our absence of anxiety, and our absence of impatience. The enemy is very familiar with our troops and knows what they are cable of doing. They know what our troops can do. They know about their ability to resist, their ability to withstand difficulties, and to remain where they must remain for as long as necessary. [applause]

However, I repeat; I hope that an era of peace, detente, and a reduction in tensions comes to the world. This doesn't mean we're going to rest on our laurels. This doesn't mean that we will become overconfident. All it means is that this is our preference. This is what we would like to see. Hopefully, we would like to dedicate ourselves even more to the development of our country, to the progress of our country.

As Marti said—I think it was Marti—to those who want to be free, liberty has its price and it is necessary to resign oneself to live without it or to be willing to pay the price for it. [applause] We can say that independence has its price. The right to start a revolution, to create a new world, to bring justice to our fatherland has a price. We have to pay the price or resign ourselves to live without that independence, without those rights.

Those who always pay the highest price are those who vacillate, the cowards. Those who pay the lowest price are the brave ones, the decisive ones because it is very difficult to put any price on this. This is the way our people have conducted themselves during the past 30 years.

I've seen some interesting things these past few days. They're more than interesting; they're impressive. These have to be pleasant for everyone because this is our work. It is the fruit of our sweat and our efforts. It is the fruit of the blood shed by the comrades who fell along the road, for those who gave their sweat and blood for our revolution. They gave of their own not just from 1953, but they've given since 1968. Our history is full of bravery, heroism, and beautiful examples that are insurmountable.

I was saying that I had seen interesting things these past days. I had a number of commitments. In addition, others came up. I had already planned to visit Camaguey and Las Tunas. I had planned to spend 2 days here in Granma. I had the ceremony on the 30th [ceremony marking 30th anniversary of Guisa Battle originally scheduled for 30 November] and the ceremony on the 2d [marking the anniversary of the Revolutionary Armed Forces] in the capital of the Republic. I had the organization and preparation of Gorbachev's visit after that. I then received an invitation from the Government of Mexico, a country with which we have had extensive and exemplary relations over the past 30 years. This is a new thing. They invited me to the ceremony inaugurating the new president. This did not happen before. I have recently received two invitations.

I understand that this does not please the imperialists very much. I understand that this doesn't please the Yankees very much. Well, I didn't use to get invited and now I am being invited. I had to attend all these ceremonies and I had all these commitments. Trips always involve risks. But what could we do? Isolate ourselves, blockade ourselves? To think about work, to think about the risks, to even think about the political difficulties of the visit? Unfortunately, there have been internal differences among people who are friends of Cuba. We thought it was not possible to reject the invitation. The invitation must be accepted and we must travel to Mexico. [applause]

In addition, we left Mexico 32 years ago on 2 [December]. A few days ago we marked 32 years since we left Mexico—on 25 November [as heard]. For all of us, Mexico is like a second fatherland. [applause] Despite the internal differences I talked about, we reached the conclusion that it was elementary to accept the invitation. So, we had to include a trip on this schedule. We had to move up the ceremony for the 30th [to today]. I have to explain this because you may ask, why is the ceremony not being held on the 30th but on the 29th instead? Well, we will have to postpone the one in Havana also. I already talked to Comrade Lezcano. I told him: I didn't tell you anything so that you would continue preparing for the ceremony. I told him this before I left for Camaguey. I told him we have no other choice but to postpone it, if you want me to attend, and I suggested that it be postponed until the 5th.

All this after so much work, but the work of a revolutionary is voluntary. Not one of us was forced to be a revolutionary. [applause] We chose this road, so we can never complain about any tasks that we have to carry out or any effort that we have to exert. Well, going back to the idea I mentioned, we recently saw some encouraging

things in Matanzas—no, not in Matanzas, in Camaguey. A modern weapons factory was inaugurated there—this is not a secret because everyone knows about it—and it is a gem.

That is not [changes thought] I said there that the factory's daily production could have solved all our problems regarding the Batista's Army. Just think, 300 automatic rifles! [applause] But we had to solve the problems without those rifles, which will come in handy if we have to solve some problem with the Yankee Armed Forces. Hence the importance of that factory, not to mention its capacity to help other industries by manufacturing tools, components, spare parts, and various other things for the people. The possibilities are fabulous.

The really impressive thing—more than the factory's machinery, automatic lathes, and other automatic equipment—is the personnel. Approximately 4,000 youths, 450 of whom have a higher education, work there with a unique organization, discipline, spirit, and efficiency. Their average age is 24 years. Young 21-year-old and 22-year-old men have important production jobs and responsibilities. It is also a cadre factory. It is really touching to see these young men's attitude and to watch them in uniform working in such an organized way. One cannot be more impressed.

The other day we visited the new mill being built for the people in Camaguey by the Youth Labor Army [EJT]. The dining room looks as good as any restaurant in the capital. The idea was to build houses instead of camps and, once the EJT leaves, the houses can be used by the complex's agricultural workers. We analyzed that sugarcane's yield, which is very high, and the results attained in Camaguey by implementing certain agricultural techniques in the sugarcane fields. This includes parcel drainage and the so-called siphon watering. The yield is incredible and the system is affordable.

Another day we traveled early in the morning to deliver the contingent banner to a group of workers building a road toward a zone that has great tourism potential.

These people are working with a new spirit for 13, 14, or 15 hours every day. In 7 months, they built a road, although it has not yet been paved. The causeway is almost finished. It is unbelievable that 82 men completed this project in barely 7 months. This is new—something that has never been seen anywhere before. They are applying new concepts. They are applying the revolutionary process, almost with the spirit—we can say—with which the comrades fought in Cuito Canavale or with which the rebel fighters fought here in the Guisa battles.

A little later, I had the opportunity to visit a new factory built in record time by another contingent. It was a rolling mill that can produce from 90,000 to 100,000 tons of steel sheets a year. It was designed by Cuban engineering experts with machinery manufactured in Cuba, basically by the Santa Clara Factory. If we were to purchase this factory new, it would cost us $20 million. But since it was built with Cuban equipment, it cost us $7 million to pay for some components and some engines. The most important thing is that that [word indistinct] factory was built in 14 months by that group of people, who worked with the spirit of a contingent. They were presented with the banner of the contingent.

In that same area, a group of youths who have been trained at the Antillana de Acero steel mill to handle the rolling mill, a group of retired Antillana de Acero workers who are there training them, and a group of 50,000 to 60,000 Tunas residents, reflect a very different country, a very different people with a discipline, level of culture, and level of awareness that is truly impressive. Then, today, we visited various locations. We presented three banners to three contingents.

Some contingents are building the Cauto Dam, a project that has already began. When this dam was planned, it was thought that it would take 3 years to build. They will build it in 2 and ½ years, 2 and ½ years! [repeats himself] [applause] They will not only build the dam but also the channels. This dam will hold 400 million cubic meters of water. Many of these contingent workers are internationalist fighters. Later in Cauto, Cautillo, we saw another dam being built by another contingent. That contingent received its banner with much discipline, organization, and spirit. Then, we went to the Bayamo River, in the Corojo zone. We presented another banner there. We observed there youths who are very organized, wearing their work uniforms and hats. In fact, they looked like an army. They looked like a guerrilla army. I said that 30 years ago, and on other occasions, heroism was proven in battles, sacrifices, and deaths. Today, heroism is fundamentally proven in work. I say that these young boys and girls are behaving like true heroes. They are dedicated to their work. Half the men have doubled the work that used to be done. They multiply a bulldozer's work by three. They multiply foreign exchange converted into equipment by three. They produce at low cost, with efficiency, and with quality.

Already, several thousand workers—over 10,000—are working with these concepts. I do not doubt that in the future there will be 20,000, 30,000, 50,000, perhaps even 100,000 one day. I say 100,000 men are working that way here. They do not have [word indistinct] in this country. The country is made new. We have to see over 200,000 men, over 200,000 men [repeats himself] in this area. When 1,000 men like these get together, they build three major dams in record time. The wealth of experience and knowledge that has been accumulated by new cadres and experts is unbelievable. Such major changes. In the days when were in those mountains...[changes thought] And the mountains too have changed so much! Before, there were no roads or paths. Today, we come to [name indistinct], Cautillo, Canteras, on an asphalt highway. We come to Santa Barbara on an paved road.

We go from Santa Barbara to Bayamo River, and from Bayamo River to the Bayamo City on an asphalt road. Everywhere in the mountains there are asphalt roads. The mountains are full of family doctors. How everything has changed here! While Guisa had 2,300 residents 30 years ago, it now has approximately 20,800 residents.

The curious thing about visiting these areas by car is that these areas do not seem remote. One has the idea that these places between the Santa Barbara Trunk Highway and the highway to Guisa are not so far away. We blew up a bridge on the night of the 20th or 21st—or the night of the 19th or 20th. We would have to check the exact date. I thought we had walked a short while. Now, by car, I realize the road is several kilometers long.

In reality what happened was that we were so used to walking, that distance seemed shorter then, while today places seem to be farther away on the road by car.

Our mountains are being radically transformed and will be transformed even more. There is electricity everywhere. Thousands of kilometers of power lines have been installed so that electricity—the convenience of having electricity, communications, television, and all those things—could reach the most distant places in the mountains.

I have noticed the many accomplishments of the revolution, its endless possibilities in every field, and the profound changes that have occurred everywhere. We saw that yesterday in Tunas. I asked: What is this? A department of the university, I was told. Then I asked: What are those? Several university departments in Tunas, they said. Then I inquired: What department is this? This is the medical school, someone said. There are thousands of medical students in Tunas. In 1977, several years after the revolution's victory, there were less than 200 doctors in Tunas, and today there are more than 1,700 doctors, and 1,000 medical students at the university.

I then asked: What building is this? This is the technical school, I was told. And this? [word indistinct] And that? The multipurpose ward [sala polivalente]. And this? A special school. And what is that? That is where the teaching school will be built. And what are those? A pasteurizing plant, a hotel, a recently built children's center. Las Tunas used to be a municipality, and today it is the capital of a province, which even has many university centers. There are several university centers here. Some have four, the medical school has five—six including the teaching school.

I said to my comrades: We must stress agricultural development. We talked about irrigation projects and about the dam-building projects. We had a lengthy discussion over projects for sugarcane, food, vegetable, and milk production. Currently, 20 million [not further specified] are produced there. Early next year, we will begin a project for the construction of dairy farms that will produce over 100 million liters of milk. [We discussed] projects for pork production and agricultural projects. [We discussed] increasing sugarcane production per hectare for food production. We can attain this goal thanks to research that has proven that sugarcane is not only a source of sugar but also a source of protein rich food.

We said we should not disregard economic plans for a second, because behind each one of those special schools lie the rations for 200 or 250 students. I forgot to mention that they [not further identified] would say to me that they would finish that school, that [word indistinct] next year. Our food quota lies behind each one of those schools with hundreds of students. And behind the vocational school, behind the circle [as heard]—the food quotas lie behind all these.

I have been saying this to my comrades in every province. The population probably needs things. People want all kinds of things. And people want housing, of course. I told my comrades that we needed a correct balance between our efforts in the economic realm and our efforts in the social realm. But we have the opportunities for making these efforts.

Only yesterday I was explaining to (?Antona) that we are involved in a program for the construction of 50 pork-production centers. The Ministry of Construction will have to build 27 of these. The Ministry of Agriculture will have to build the other 23. The Ministry of Agriculture will have to add to the centers it already has through [word indistinct]. MICONS [Ministry of Construction] will build completely new centers. Together they will build 50 centers, which will have the capacity to produce over 100,000 tons of meat a year. With the feed we have at present and by collecting waste from all these social institutions, using the protein-based honey produced in our yeast factories, of which there are over 10, regardless of [words indistinct]. In addition, we have cereal grains.

This project is part of a 5-year plan. We have proposed to every province that the project should be completed in 3 years. We cannot spend more than 1 year in building a new center that has over 54 [words indistinct]. This used to take 3 years. There are many possibilities in all fields: We can increase the production of food, vegetable, rice, milk, and different kinds of meats. Many new possibilities are arising. Today's population is better educated, better organized, better prepared, and is capable of performing these great feats.

Each one of your contingents today is truly working excellently. This is a great organization. I have said that capitalists boast that they do things better and therefore they can build better than we can. But we should compare [this organization] to the stupid and foolish things that were done and the concepts that were applied. This is why I say that I would like to see a capitalist enterprise capable of building a dam in the time that you built it. I would like to see a capitalist

enterprise that is capable of using the equipment that you are using as productively as you are. I have realized that I am before an organization two or three times better than any capitalist organization, founded on principles and concepts, to which discipline is a matter of pride, honor, and dignity for the collective. The collective imposes the discipline. It is the collective that tells someone: You do not deserve to be in this contingent. It is the collective that does not accept absences or laziness of any kind. It is incredible—no one is ever absent in this workers' collective. It does not know the concept of being absent. The collective takes care of the machinery as no one else would.

This is where we can see the revolution's possibilities. This revolution, after 30 years of struggling against ignorance and illiteracy and educating hundreds of thousands of technicians at the university level, is capable of doing more than the capitalists ever did once it makes that decision, [applause] and to do things better than the capitalists ever did.

How many dams did the capitalists build in this country to hold water, to produce rice, sugarcane, food for the people, milk and meat? There were practically none—there were a few tiny little water dams. And how many has the revolution built? How many is it building simultaneously here in Granma alone? It is building three great dams simultaneously, as well as canal systems, dams and irrigation systems. What is an irrigation equipment factory [words indistinct], which are highly productive and save water, doing here in Granma? I still have to visit the factory. They are, in fact, waiting for me, but I was not able to go there before the ceremony.

How many roads did the capitalists build in these mountains? How much electricity did they bring to these mountains? How many hospitals and how many family doctors did they send to these mountains? The revolution has over 700 family doctors in the mountains. There are no mountains in this province or in Santiago or Guantanamo without family doctors. There are many municipalities and regions with family doctors, where infant mortality is under 10 [sentence as heard]. That is incredible. [applause]

The capitalists never took care of any social problem here or anywhere else. We are ahead of them by 1,000 km. We can do things better than they can. Today we have a chance to increase our output. Of course, we must work because we must invest.

We must invest in land drainage; we must level off the land to plant rice; and we must save water. We must increase our productivity and build thousands and thousands of kilometers of irrigation channels in this country. We have the possibilities to do all that.

I have seen [words indistinct] men of flesh and blood. They are men of flesh and blood, not imaginary men. It is very encouraging. I am glad to see them here this afternoon. I am glad to see you, the veterans, here this afternoon. You are not old people. You are veterans, which is not the same thing. [applause]

I know you, comrades, have lived many hours of emotions. You are happy to meet here. Before coming here, I wondered: What would a meeting of hundreds of veterans be like? They must have a lot to say and a lot of stories to remember. I know you will especially think about the fruits of the revolution and of your efforts. I know you must talk about the development of those things for which we struggled and about the kind of people we have today. You must wonder about the new generations and what they are capable of doing. You must wonder whether they are capable of doing what that youth did there in Cuito Canavale [city in Angola] and whether they can do what dozens of thousands of youths like him did. You must wonder whether the new generations can run a sophisticated industry like the one in Camaguey Province and whether they can build 20 km of roads in only a few months at the ridiculous cost of 62 centavos of expense per productive peso [a un cost infimo de 62 centavos de gasto por peso producido]. You must wonder whether a rolling mill can be built in 14 months. They now say the next rolling mill will be completed in 2 months.

With the same naturalness with which our comrades fought 30 years ago, our youths now march with their equipment and machinery to build dams, irrigation channels, roads, etc.

I truly say, and I say it with great pleasure, that the fruit of the efforts of the fighters of the past is that today our people are much more prepared. We now have a more educated and responsible people. Our people have more confidence in themselves now. We have people capable of growing...[changes thought]. We have a people of heroic combatants willing to fight for the defense of the homeland and in any fair struggle. We have people capable of heroic actions that lead us to increase our work and development. We have people who, when they set their minds to it, can achieve what they want. We have a people of international volunteers. [applause] We have people who were willing to send 50,000 men far from the homeland.

We have a country in which doctors, workers, teachers, and volunteers are willing to travel to any part of the world and accept any sacrifice. Our people can organize and arm themselves, and they feel they can stop the empire if it tried to lash out with its claws against our island.

Our people are capable of heroic deeds at their work place. We have people like those we see here now. Behind the group of comrades of column no 1, I see thousands and thousands of men and women wearing the uniforms of the territorial militia troops. [applause]

The people of today are the fruit of our efforts and sacrifices. Those unforgettable comrades who died during our 30 years of struggle would feel proud of that fruit.

Seeing so many flags here, seeing that beautiful flag of the solitary star, I say: Those flags could have not been better defended; those flags could have never been better escorted.

Free fatherland or death, we will win. [crowd responds: "We will win"] [applause]

Students Condemn Recent Telephone Destruction

FL0112042588 Havana Television Service in Spanish 0100 GMT 1 Dec 88

[Text] At this time of revolutionary reaffirmation, higher middle school students show their condemnation for despicable acts such as the fire set recently at the Aguila and Dragones telephone enterprise.

[Begin recording] [Video shows a group of students chanting slogans in support of Fidel Castro and the revolution]

[Reporter] A large representation of the Jose Marti Preuniversity School of Habana Vieja Municipality held a combative and revolutionary rally in front of the offices of the PCC Provincial Committee of the capital to express their strong repudiation of the unworthy, shameful, and despicable action of citizen (Maria Cristina Beyes), responsible [promotora] for the fire at the telephone company some days ago.

Once more, students of the higher middle schools show their unconditional support to the measures taken by our government and party and express their willingness to confront and combat any type of attack which would hinder our fatherland's interests. [end recording]

Dominican Republic

Former President Blanco Found Guilty

FL2811115288 Bonaire Trans World Radio in English 1130 GMT 28 Nov 88

[Text] A court in Santo Domingo has found former President Salvador Jorge Blanco guilty in absentia, guilty of corruption during his administration. The court also found two of his associates guilty of overcharging military and police for equipment, among other things. They were sentenced to 20 years in jail. The three have also been fined a total of $17 million.

That is the first time a former Dominican head of state has been convicted of corruption. Mr Jorge Blanco, who is in the United States, said he will return to the Domincan Republic on Wednesday and appeal his conviction.

Jailed in Santo Domingo

FL0112115488 Bonaire Trans World Radio in English 1130 GMT 1 Dec 88

[Text] Former president of the Dominican Republic, Salvador Jorge Blanco, was jailed yesterday as he stepped off the plane from the United States.

Returning to his homeland to appeal his conviction on political corruption charges, the former president was whisked away by helicopter and under tight security. He was convicted earlier this week, in absentia, of the misuse of public funds and is in the Preventive Prison in the capital, Santo Domingo.

Proclaims Innocence

FL0112155788 Santo Domingo Cadena de Noticias in Spanish 0943 GMT 1 Dec 88

[Passages within quotation marks recorded]

[Text] Former President Salvador Jorge Blanco proclaimed his innocence upon his arrival in the Dominican Republic, aware that he will spend a long time in prison.

After landing on Dominican territory, Jorge Blanco said that the accusations against him are inflammatory.

[Blanco] "I come to this country to defend myself against all the inflammatory accusations raised against me. I know that I face a road full of prejudice and [word indistinct] on my arrival. That is the destiny of those that are politically pursued. I know that a long imprisonment awaits me. I know that I will suffer."

Accompanied by his wife, (Acela Mera de Jorge), [words indistinct], leaders of the PRD [Dominican Revolutionary Party], police authorities, and (?other officials), Jorge Blanco said the government will be [words indistinct] against him. Former President Jorge Blanco said that he does not fear new accusations against him [words indistinct].

[Blanco] "There will be more accusations because those who persue me are not satisfied with the seven charges and proceedings against me. [words indistinct] I know that my rights will continue to be (?violated). I know that those who denounce me (?aspire to) the cruelty of their old crimes. I know that I should not hold great expectations from certain sectors of the judicial sector while [words indistinct] are not forgotten. I know that there is a higher conscience that guides the decisions of government authorities participating in all these proceedings that will [word indistinct] the preservation of human rights [words indistinct]."

In his statement read to the press at the Las Americas International Airport, Salvador Jorge Blanco said the government's economic policy has made the country poorer.

[Blanco] "I have returned with my family. [passage indistinct] I have returned because I am very aware of my responsibilities to the people, to my family, to myself, and to the PRD. [Words indistinct] of its unity. Becoming a prisoner now, we will make us more firm. [passage indistinct]."

Haiti

Avril Authorizes Col Paul's Widows' Release

FL0112021088 Havana Radio Rebelde Network in Spanish 0026 GMT 1 Dec 88

[Text] President Prosper Avril has appointed a new mayor for Port-au-Prince and authorized the release of Colonel Jean-Claude Paul's widow.

Haitian radio reports that the decision to replace Carmen Christophe as Port-au-Prince mayor was announced by Avril himself in an attempt to respond to a strong campaign against several of his high-level officials.

Demonstrations Held Marking Day of Mourning

FL0112003488 Port-au-Prince Radio Metropole in French 1700 GMT 29 Nov 88

[Excerpts] As you know, today was decreed a day of national mourning by the military government, and there was a commemorative march organized by the RDC [Christian Democratic Assembly]. [passage omitted]

Rothschild and Marcus, [mobile unit reporters] you are on the scene. We are ready for your roundup [preceding word in English] of the events.

[Marcus] [Passage omitted] Thank you, (Smoy). As everyone knows, the demonstration organized by the RDC, headed by Yves Volel's brother Eddy, began this morning in front of St. Jean Bosco Church, as announced. [passage omitted]

The demonstration went off without the slightest incident. There was a large number of troops in the streets on this occasion, to ensure the demonstrators' security and also to facilitate the flow of traffic in the areas through which the demonstration passed. Here is Mobile Unit 20 with more details.

[Mobile Unit 20] Thank you, Marcus. [Passage omitted] The demonstration ended in front of the Argentine Belgrade School on Ruelle Vaillant, where the people were killed last year as they waited to vote.

Several political leaders made speeches, notably PAIN [National Agricultural and Industrial Party] leader Louis Dejoie, PUCH [Unified Party of Haitian Communists] leader Rene Theodore, Turneb Delpe of the PNDPH [National Democratic and Progressive Party of Haiti], Gabriel Miracle of the CATH [Autonomous Organization of Haitian Workers], and Eddy Volel of the RDC.

In their speeches, the leaders paid homage to the victims of the 29 November killings. All demanded justice and think that there can be no reconciliation in Haiti without the people who committed this massacre being arrested. They are also asking for the release of the soldiers under arrest since last 17 October—the 17 September movement soldiers who, according to the government, were involved in a coup d'etat attempt aimed at overthrowing General Prosper Avril. This accusation, however, has been denied by several Haitian political and union groups. [passage omitted]

At 1500 this afternoon, there is a rally at Occide Jeanty kiosk [on the Champ de Mars] planned, during which committed singers such as Manno Charlemagne and others will perform and political leaders will speak. This rally is part of the activities organized by these political and union organizations on the occasion of 29 November 1987. This is the 1st anniversary of the Ruelle Vaillant massacre, and today some 3,000 or 4,000 people took to the streets in the capital to participate in this demonstration called for by the RDC. [passage omitted]

Tear Gas in Cap Haitien

FL0112004288 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 30 Nov 88

[Text] Approximately 3,000 persons demonstrated yesterday in Port-au-Prince on the occasion of the 1st anniversary of the 29 November 1987 massacre. Another 1,000 demonstrated in Hinche for the same reason. In Cap Haitien, a demonstration was dispersed by the police, using tear gas.

In Jeremie, Msgr Willy Romelus spoke, addressing the consciences of the people who participated in the 29 November massacre; while Msgr Lafontant Joseph [name as heard] called for justice for the victims of the 29 November massacre.

Government Decree To Reopen 29 Nov Inquiry

FL0112010288 Port-au-Prince Radio Nationale in Creole 1400 GMT 30 Nov 88

[Text] The military government has issued a decree which calls for a special committee to reopen the investigation into events that occurred nationwide in Haiti on 29 November 1987 and on the 29 November voting massacre.

This special committee will be empowered to summon before it anyone named by witnesses or (?anyone with) pertinent information on these events. Should a summoned person refuse to appear before the committee, the Department of the Public Prosecutor representatives to the civil court where the person summoned is, shall sanction, under the law, the person refusing to appear.

The (?investigating committee) is also to request from all government agents, agencies, or services, all communications—(?in the form of) reports, dossiers, or documents—necessary for investigations successful completion. (?This is to be done) throughout Haiti, as te investigation warrants.

Under Article 3 of this decree, the special committee will refer to the Department of the Public Prosecutor's representative or to the examining magistrate of the competent jurisdiction anyone against whom there is sufficient evidence to prove they were either perpetrators, accomplices, or willing participants in the acts of terrorism perpetrated on 29 November 1987 or in the 29 November 1987 massacre.

Article 4 of the decree says that this special investigating committee is to have within in it a representative taken from a list of three names submitted by the groups for the defense of human rights. This person will be the committee's chairman. There will also be a representative of the executive sector, who will be a member. There will be a representative of the council of the order of lawyers, who will be chosen from a list of three names submitted by the council and who will be a committee member. There will be a representative of the press, chosen from a list of three journalists submitted by the journalists (?associations). This person, too, will be a committee member. There will be a high-ranking Haitian Armed Forces officer, who will be a committee member.

Article 5 says that the chairman and members of this special investigating committee will be appointed by decree by the executive.

Article 6 says that before beginning its work, this special investigating committee is going to take, before the court of cassation, the following oath: I swear to rule impartially on the causes of and circumstances surrounding the events that marked the day of 29 November 1987 (?and on) the 29 November 1987 massacre.

Article 7 says that this special investigating committee is to submit its report within a month of the date the committee members are sworn in.

Article 8 says that the ways and means for the special investigating committee will come from the public treasury.

Article 9 says that this decree abrogates all laws or dispositions thereof, all decrees or dispositions thereof, and all law decrees or dispositions thereof that might be contrary to it; and that it will be published and carried out by the ministers of justice, interior and national defense, economy and finance, and information and coordination, each acting in his particular sphere of competence.

This decree was issued at the National Palace on 28 November 1988 and is signed by Haitian Armed Forces Lieutenant General Prosper Avril, president of the military government.

The decree is also signed by several other ministers, such as the ministers of justice, interior and national defense, economy and finance, information and coordination, foreign affairs and worship, and public health and population.

Correction To Avril Outlines New Economic Policy

The following correction pertains to the item headlined "President Avril Outlines New Economic Policy," published in the 29 November Latin America DAILY REPORT, page 6: column one, paragraph seven, line three: ...come up with 75 million gourdes with which to... (changing "75,000" to "75 million")

Jamaica

Seaga Comments on Hurricane Relief Program

FL2611030288 Bridgetown CANA in English 1658 GMT 25 Nov 88

[By Paget de Freitas]

[Text] Kingston, Jamaica, Nov 25, CANA—Prime Minister Edward Seaga, on the final stretch before having to call general elections here, Thursday night promised Jamaicans their "biggest Christmas ever," as his government engaged in big post-hurricane rehabilitation spending.

In a radio and television broadcast update Jamaicans on the relief effort two-and-half months after Hurricane Gilbert struck the island, Seaga said the programme would cost the government mroe than J2 billion dollars (US363 million).

The private sector was also spending hundreds of millions of dollars on repairs, he said.

"The sum of this expenditure, most of which is taking place before Christmas, will have rewarding consequences for most Jamaicans who will share in what is likely to be the biggest Christmas ever," the prime minster said.

In the process the country was being rebuilt "on a stronger basis with new structures replacing old ones, updating and upgrading machines and replanting with new stock."

There was some speculation before the broadcast that Seaga might have announced a mid-December election data, to ensure that the important winter tourist season was not affected by political campaigning.

But with his promise of a financially-bright Christmas and his various time-tables for rehabiltiation and for relief to reach everyone, analysts mostly read into Seaga's statement an election date of late January or sometime in February.

Seaga in his broadcast reminded that government had developed an emergency employment programme to provide 70,000 short-term jobs "to enable a large number of people to have some cash for Christmas."

By the end of November, he said, 80,000 people will have received food stamps to receive supplies.

A programme to distribute coupons for building materials to 200,000 households was to begin next week and be completed by the third week of January, Seaga said.

The distribution of agricultural stamps to purchase supplies was to soon begin, while road repairs around the country would be completed by next March and repairs of government buildings were underway.

Tourism arrivals, down since the hurricane, should return to normal by February, the prime minister said.

Electricity and water had been almost fully restored and Seaga promised that "factories, business operations and service facilities will be fully operational by the end of November."

In the long run, he said, Jamaica was poised to turn the hurricane's destructive force "into a constructive force of new growth," guided by the government's good management and the performance of all Jamaicans.

"Without doubt, we can count the mistakes and the negatives, and given the massive scope of this exercise there will be many," Seaga said. "But by comparison witht he sucesses, they are insignificant."

"Some, nonetheless, will only want to emphasize the negative for their own selfish reasons," Seaga declared.

The broadcast was felt here to be clearly part of his election strategy.

"My reading is that he intends to go into the January-/February period in the hope that he will regain some of the lost ground by dispensing more aid to vast numbers," said Dr Peter Phillips, an opposition-linked political scientist at Consortium Graduate School at the University of the West Indies (UWI) campus here. Phillips has close ties to the opposition People's National Party [PNP].

"It seems clear from the prime minister's broadcast that the election will not be before Christmas," one foreign diplomat told CANA.

Seaga, seeking an unprecedented third consecutive term as prime minister, was re-elected to the post on December 15, 1983 in a poll boycotted by the opposition.

The current Parliament will automatically dissolve on January 9, the fifth anniversary of its first sitting at the 1983 election. However, Seaga, utilising a constitutional grace period, can continue to rule with his cabinet for a further three months before an election.

PNP leader Michael Manley this week urged Seaga to call the election early, saying that the delay was bad for the country.

A recent opinion survey by respected pollster Professor Carl Stone gave Manley's PNP a 10-point lead over Seaga's Jamaica Labour Party (JLP).

This indicated a sharp swing back towards the PNP following a Stone poll soon after the hurricane which showed the JLP was within two points of closing a previous 15-point gap. Another pollster, Don Anderson, at a about the same time as Stone's latest poll, gave the PNP a six point lead among committed voters. But Anderson's trend suggested that the JLP was closing the gap on the PNP.

Stone had argued that the PNP's strength was returning, with the pre-Gilbert agenda items re-asserting themselves, as the trauma of the hurricane receceded.

Additionally, the government has apparently been hurt by complaints and bickering over partisan attitudes and corruption in the handling of relief—allegations that Seaga has vehemently rejected.

Salinas de Gortari Announces New Cabinet

PA3011234988 Mexico City XHTV in Spanish 2302 GMT 30 Nov 88

[Read by Otto Granados Roldan; position not given]

[Text] On the instructions of Carlos Salinas de Gortari, president-elect of Mexico, I hereby announce the people that he has chosen to make up his cabinet.

Secretary of Government	Fernando Gutierrez Barrios
Secretary of Foreign Relations	Fernando Solana Morales
Secretary of National Defense	General Antonio Riviello Bazan
Secretary of Navy	Admiral Mauricio Scheleske
Secretary of Finance and Public Credit	Dr Pedro Aspa Armella
Secretary of Planning and Budget	Dr Ernesto Cedillo Ponce de Leon
Secretary of Energy, Mines, and Parastate Industry	Eng Fernando Hiriat
Secretary of Commerce and Industrial Development	Dr Jaime Serra
Secretary of Agriculture and Water Resources	Jorge de la Vega Dominguez
Secretary of Communications and Transport	Andres Caso
Secretary of Urban Development and Ecology	Patricio Chirinos
Secretary of Education	Manuel Bartlett Diaz
Secretary of Health and Public Assistance	Dr Jesus Cumate
Secretary of Labor and Social Welfare	Arsenio Farell
Secretary of Agrarian Reform	Victor Cervera Pacheco
Secretary of Tourism	Professor Carlos Hank
Secretary of Fisheries	Maria de los Angeles Moreno Juriega
Attorney General	Enrique Alvarez del Castillo
Attorney General, Federal District	Ignacio Morales Lechuga
Chief, Dept of Federal District	Manuel Camacho Solis
Comptroller General of the Federation	Maria Elena Vasquez Nava
Chief of the Presidential Staff	Brigadier General Arturo Cardona
Director General of the Technical Cabinet Secretariat	Dr Jose Cordoba
Presidential Secretary	Andres Macie
Director General of Legal Affairs of the Presidency	Ruben Valdes

Opposition Parties To Speak at Inauguration

PA2911171088 Mexico City THE NEWS in English 25 Nov 88 p 2

[Report by Kim Lopez]

[Text] In what is regarded as a first for Mexico's ruling political system, the Institutional Revolutionary Party (PRI) agreed Thursday to allow the two major opposition parties to outline their position regarding the new administration during Thursday's inauguration of Carlos Salinas de Gortari.

Parliamentary coordinators of all political parties agreed that legislative representatives of the National Democratic Front (FDN) and the National Action Party (PAN), in addition to the ruling PRI, will take the floor to express their positions regarding the incoming government.

Leonel Godoy, congressman of the Mexican Socialist Party (PMS)—a faction of the FDN—revealed that the FDN and the PRI have definitely agreed to voice their positions during the inaugural ceremony, almost certainly before Salinas delivers his inaugural address.

It was still uncertain late Thursday whether the PAN would join the FDN and the PRI legislators because PAN militants are reportedly planning to carry out a demonstration Thursday at the Independence Monument to protest the incoming government. Nevertheless, a representative of the FDN said Thursday that it was undergoing negotiations with PAN legislators.

The agreement came as a result of a meeting Wednesday of the political commission of the FDN, in which former presidential candidate Cuauhtemoc Cardenas announced his intention to read a document Thursday, before the inauguration, that expresses the position of the FDN in relation to the country's "serious problems."

The FDN, a coalition of four leftist parties—the Mexican Socialist Party (PMS), the Popular Socialist Party (PPS), the Authentic Party of the Mexican Revolution (PARM) and the Cardenist Front for National Reconstruction (PFRCN)—believes that if Salinas de Gortari speaks during the ceremony, then a representative from each party should also speak.

Government Pleased With OPEC Agreement

PA2911200988 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 29 Nov 88

[Report by Abel Magana]

[Text] The Mexican Government has expressed satisfaction with an accord reached by OPEC members that immediately led to a general increase in oil prices throughout the world.

An official communique issued by the Presidency states that because of this, Mexico is pleased with the political willingness expressed in this accord. New prices and market stability will only be achieved through rigorous discipline and when all OPEC members, without exception, comply with the agreement.

The Presidency communique adds: This calls for an important effort on the part of independent exporting countries. As a result of measures adopted by OPEC, prices increased immediately. Prices for Mexican petroleum increased by $1.50 per barrel in a single day. In so doing, petroleum behaved like many other oil products in the world.

Mexico urged all petroleum producers to behave cautiously in the coming months because the current accord does not hide dangers that still exist in petroleum markets. The success of OPEC's conference improves price perspectives for next year. Thus, we must make further efforts to ensure effective stabilization in world markets.

Debt Service Figures Indicate $88 Billion Paid

PA3011211388 Mexico City UNOMASUNO in Spanish 22 Nov 88 pp 1,14

[Summary] According to official reports from the Bank of Mexico and the Mexican Finance and Public Credit Secretariat, the country paid $88.5885 billion between 1983 and 1988 to service its foreign debt. That amount is practically equal to the increase in the country's foreign debt between 1976 and 1988. Therefore, the country's payments during the last 6 years equalled the increase of its foreign debt in 12 years. The country paid $57.6713 billion in interest alone during the last 6 years.

Government Sells Shares of Petrochemical Plant

PA2911184788 Mexico City EXCELSIOR in Spanish 25 Nov 88 pp 4-A, 45-A

[Summary] The Mexican Finance and Public Credit Secretariat reported that the Mexican Government has sold 4.7 million shares of Tereftalatos de Mexico, S.A., a company that produces terephthalate and petrochemical byproducts. The sale represents 42.2 percent of the enterprise. The shares were sold for 242.6 billion pesos.

The report added that the Mexican Government kept 1.1 million shares, which guarantees government participation in the administration of the business.

Business Group To Buy AEROMEXICO Airlines

PA2911185988 Mexico City EXCELSIOR in Spanish 25 Nov 88 pp 5-A, 33-A

[Summary] Dictum, S.A. will today formally purchase 75 percent of the shares of AEROMEXICO Airlines. The Mexican Pilots Labor Union Association will soon decide whether to sell the remaining 25 percent.

Dictum, S.A. is composed of Bancomer [Commercial Bank of Mexico]; Carlos Abedrop Davila; Enrique Robinson Bours, a group formed by several insurance companies; and Arka, which is mainly represented by Gerardo de Prevoisin, Elmer Franco, Boris Hirmas, Jorge Esteve, and Luis Berrondo.

More Than 27 Tons of Marijuana Destroyed

PA3011230688 Mexico City UNOMASUNO in Spanish 23 Nov 88 p 13

[Summary] The Mexican Secretariat of the Navy has reported that it burned 27.215 metric tons of marijuana and 9 kgs of marijuana and poppy seeds at its Ixtapa-Zihuatanejo naval installations on 22 November. The destroyed drugs were seized during several operations in the past 10 days.

Costa Rica

Arias Sends Letter to Region's Presidents

PA2911192388 San Jose Radio Reloj in Spanish 1200 GMT 29 Nov 88

[Text] In a letter to Central American heads of state, President Oscar Arias has expressed his sincere wish to meet with his colleagues soon in San Salvador.

I have learned that it is very possible that you will meet in Mexico during the inauguration of Carlos Salinas de Gortari, president of that great nation, Arias says to Jose Napoleon Duarte, Jose Azcona, Vinicio Cerezo, and Daniel Ortega.

Since you may meet casually with regional leaders to exchange views, which would prove useful in the task of promoting the peace plan, I wish to express my best wishes and to send you cordial greetings, President Arias adds.

The national priority of commemorating the 40th anniversary of banning the Army on 1 December prevented President Oscar Arias from traveling to Mexico. In his letter to his Central American colleagues, Arias states that the importance of this event in our history and our development and the poor health of former President Jose Figueres requires that I stay in the country.

However, Arias states that he hopes that during the informal meeting of foreign ministers they will use the Costa Rican proposal as a reference to come up with a decision to overcome obstacles and discuss a possible agenda for the presidential summit.

El Salvador

Rivera y Damas Discusses Prospects for Peace

AU3011133988 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 30 Nov 88 p 2

[Interview with Arturo Rivera y Damas, archbishop of San Salvador, by FRANKFURTER RUNDSCHAU editor Stephan Hebel: "The Peace Talks Have Been Temporarily Suspended"—date and place not given]

[Text] FRANKFURTER RUNDSCHAU: There has been war in El Salvador for 8 years now, and the situation looks worse than ever. Do you still have hopes for peace?

Rivera y Damas: The presidents of the Central American countries adopted the document "Esquipulas II" (a peace plan for Central America) a year ago. They intended to find a political way out of the Central American conflict. The principles of this document are still valid. However, the periods of time set for the individual steps were too short. We believe that this document is still strong. The steps envisaged in it must be made, although maybe not as quickly as had originally been planned.

We also have hopes, because the church has taken the initiative for a national peace debate in El Salvador with representatives of 102 social organizations, trade unions, and cooperatives. The participants believe that the Salvadoran conflict must be solved politically. Regrettably, the capitalist organizations are not taking part in the "national debate." That is symptomatic.

FRANKFURTER RUNDSCHAU: The biggest problem certainly are talks between the government and the guerrillas. Such talks are not being held for the moment. Why not?

Rivera y Damas: The dialogue between the government and the guerrillas has been temporarily suspended. The government says that there is currently an election campaign, and the president's health is not good. The guerrillas for their part have the following reasons: First, they plan to establish contacts with various sectors of the country, including private enterprise. Second, they plan to intensify their diplomatic activities. Third, they plan to increase their war activities in the expectation that a national uprising will take place. However, I do not see that there is a climate in this respect, even though the economic situation is difficult and there are many labor conflicts.

FRANKFURTER RUNDSCHAU: So far, the government only wants to negotiate a cease-fire; the guerrillas demand political talks at once. Do you not believe that the government must give in?

Rivera y Damas: A political solution certainly is connected with give and take. They must agree on what the parties must give and take. However, the people primarily want a cease-fire so that the country becomes quiet again and they can do their work. The people are tired of war.

FRANKFURTER RUNDSCHAU: The Nicaraguan Government held political negotiations with the contras prior to a cease-fire. Why does the Salvadoran government not do so also?

Rivera y Damas: I believe that the situation is different. Nicaragua's economic situation makes the Nicaraguan Government give in on the cease-fire issue, but not on the problem of freedom of opinion, freedom of organization, and freedom of demonstration. In El Salvador there is freedom of opinion, organization, and demonstration; however, because the two parties to the conflict are lacking the political will, I think that a cease-fire is still far away.

FRANKFURTER RUNDSCHAU: In your sermons on Sundays, you have often talked about human rights violations. Recently you also denounced murders that were probably committed by the Army. What is the human rights situation in El Salvador? Are the Army or official authorities not involved in human rights violations?

Rivera y Damas: Compared with what we had achieved several months ago, the human rights situation has certainly deteriorated. Even though the number of human rights

violations is not as high as it was during the worst times, it has in fact increased regarding cases of death which are attributed to the death squads, as well as regarding executions by the guerrillas. That is a problem that we as a church consider alarming. It may lead to violent situations of the kind that we have already overcome.

FRANKFURTER RUNDSCHAU: Does that not mean that the government is too weak to combat human rights violations, even if they are committed by its own Army?

Rivera y Damas: The armed forces committed several murders, and they were reported by our legal protection office. This office also reported the executions carried out by the guerrillas; I think that it was the only one to do so.

FRANKFURTER RUNDSCHAU: Presidential elections will be held in El Salvador next year. What do you expect if the rightist ARENA [Nationalist Republican Alliance] wins? As you know, it was founded by Roberto d'Aubuisson, who is suspected of having been involved in the assassination of your predecessor, Archbishop Romero.

Rivera y Damas: ARENA is very likely to win because Christian democracy has split and a leftist alliance, the "Democratic Convergence," was also founded. The ARENA party's policy is backward, to be sure, as far as reforms are concerned. There is also the general belief that human rights violations have increased since ARENA won parliamentary elections this year. The situation could be aggravated unless the ARENA policy is revised. The ARENA party could intensify the war and enhance repression.

FRANKFURTER RUNDSCHAU: The assassination of Archbishop Romero still has not been cleared up.

Rivera y Damas: The so-called truth of the police is known. But the juridical truth has not been found out.

FRANKFURTER RUNDSCHAU: What is the truth?

Rivera y Damas: The truth of the police is that elements of the Army and of the right were involved in the assassination.

FRANKFURTER RUNDSCHAU: How do you view the U.S. role? Is it a favorable factor that the United States supported this government and the Army by giving them so much money? Has this helped or harmed peace?

Rivera y Damas: Such aid should be spent on development rather than on the purchase of weapons. As long as the war lasts, that is difficult. Therefore, our work is aimed at finding a way out of the war. But at any rate, I see that it is negative for the country to spend most of the money on the war.

FRANKFURTER RUNDSCHAU: Do you hope that following the elections in March next year you will be able to bring about new talks between the government and the guerrillas?

Rivera y Damas: I believe that following the elections a dialogue will be unavoidable. The problem of war and peace is so urgent that the new president will have to tackle it. In addition, the results of the "national debate" will have to be considered in the government's plans, at least the most important ones, because they reflect the thinking of a significant part of the people.

FMLN Reports on Recent Military Actions

Ambushes Army Truck; Kills Four

PA3011205688 San Salvador Radio Cadena YSU in Spanish 1510 GMT 29 Nov 88

[Excerpts] As a result of an FMLN ambush on a military truck transporting Bracamonte Battalion troops, four soldiers were killed and eight were injured. The truck was ambushed near Nejapa.

Military spokesmen said this morning the rebel action was carried out at 0630 at El Basurero near El Angel sugar mill. As we reported this morning, the ambush caused a traffic jam in the area because Army men cordoned off the area. [passage omitted]

All the injured were taken to the Nejapa Military Hospital by members of the Army rescue party. No organization has claimed responsibility yet for the attack. [passage omitted]

Tracking Equipment Destroyed

PA0112043588 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 1 December reports several military actions.

According to the station, "an FMLN guerrilla and militia unit carried out an operation at the Modesto Ramirez Front. Rebels ambushed Army members between Cruz Verde and La Cumbre north of Berlin. Jucuaran Battalion troops were attacked with antipersonnel mines, rifle fire, and grenades and suffered five casualties, including dead and wounded."

It has also been reported that the rebels "inflicted more than 100 casualties on 1st Infantry Brigade troops at the El Roblar strategic communications center on top of Cerro Guazapa on 30 November. In addition, FMLN men destroyed the tracking equipment used against FMLN communications; the 4th Infantry Brigade's relay stations used by Atlacatl, Belloso, Bracamonte, and Libertadores Battalions; and the Air Force, Military Detachment 5, and the 1st Infantry Brigade's relay stations."

Guatemala

Guerrillas Accuse Army of Peasant Massacre

PA0112020788 Paris AFP in Spanish
0525 GMT 29 Nov 88

[Text] San Jose, 28 Nov (AFP)—The guerrillas today held the Army and Vinicio Cerezo's government responsible for last week's massacre of 21 peasants in the embattled department of Chimaltenango in Guatemala's midwest region.

In a communique issued in San Jose by the news agency CERIGUA, which is linked to the URNG, the rebels characterized the government's charge that the guerrillas had done the killing, as "slander."

The rebel statement, which is signed by rebel commanders Rolando Moran, Pablo Monsanto, and Gaspar Illom, asks the people of the world, humanitarian organizations, and all progressive forces to push for "a thorough investigation to establish the truth so it can be seen that the Guatemalan Army and Government are responsible for this new atrocity."

The document states: "It is totally false that URNG guerrillas or units of the Revolutionary Organization of the People in Arms kidnapped and massacred peasants in El Aguacate, Itzapa Municipality, Chimaltenango Department, on 22 and 26 November," as the Army has reported.

The URNG document notes that the accusations are part of a "carefully prepared" government and Army plan aimed at blaming the revolutionary movement for the atrocities they commit.

The rebels accused the Army and government authorities of implementing this plan, which has been "repeatedly denounced" by the rebel general command. According to the rebels, this plan "is aimed at creating conditions suitable for increasing the repression against the civilian population and then hiding it with a campaign of lies and misinformation."

Guerrilla 'Extermination' Efforts Noted

PA0112024288 Panama City ACAN in Spanish
2117 GMT 29 Nov 88

[Report by Mario Rolando Sierra]

[Excerpt] Guatemala City, 29 Nov (ACAN - EFE)—A top-ranking officer has disclosed that the Guatemalan Army, with Air Force support, today intensified an "extermination" offensive against 20 guerrillas. The guerrillas have been encircled for 5 days in the mountain area of Chimaltenango Department, 60 km northwest of this capital.

Army spokesman Colonel Luis Arturo Isaacs told ACAN-EFE that infantry troops, reinforced by A-37B combat planes and UH-1H helicopters, are pursuing a guerrilla cell in Chimaltenango's remote mountain area.

The source said the guerrilla cell is "responsible" for the mass murders of 3 military commissioners, an evangelical preacher, and 17 peasants from El Aguacate village. All were kidnapped last week.

The 21 bodies, whose hands and feet had been tied, showed signs of torture and bullet holes. They were located in a common grave on 26 November in the foothills of the mountains, 10 km from the Chimaltenango military garrison.

Colonel Isaacs said "There has not been any contact with the rebels" other than the two armed clashes on 25 November, when the guerrillas ambushed a patrol. One deputy lieutenant was injured. [passage omitted]

URNG, the top Guatemalan rebel organization, whose leaders operate from Mexico, said today "no ORPA [Revolutionary Organization of the People in Arms] column is assigned to operate in Chimaltenango's mountains. According to the Army, it has clashed with 20 OPRA rebels on two occasions.

"It was logical for them (the guerrilla commanders) to react that way. However, now everybody knows they killed the peasants," Army spokesman Luis Arturo Isaacs said.

He added that "It is a sign the guerrillas are desperate because the Army was lucky to have found the the bodies of the 21 kidnapped persons."

Father Andres Giron, leader of 250,000 landless farmers in Guatemala's Southern Coast, doubts the guerrillas killed the peasants.

"That is not the guerrillas' war system or method. Frankly, I have never known the guerrillas to massacre people, much less in the way the peasants were killed," remarked the religious leader, who is promoting land reform in this Central American country.

"The Army's version is very hard to believe," Giron said. He added that the "guerrillas, who are (also) peasants, do not kill their brother peasants." Therefore, he felt this version is "an organized way of intimidating people."

"With his remarks, Father Giron has sided with the rebels. For us (the Army), that is no surprise, because we know his beliefs," Isaacs said.

He recalled that rebel Commander Bayardo, who surrendered to the Army in October, had accused Father Giron of being a "collaborator and protege" of the guerrillas.

Honduras

Report Issued on'89 Budget, Economic 'Crisis'

PA2911174488 Tegucigalpa Cadena Audio Video in Spanish 1200 GMT 28 Nov 88

[Report by David Romero]

[Excerpts] One of the conclusions in a report issued by the Economic, Political, and Social Studies Center is that Honduras is continuing to experience the longest economic and social crisis of its history. It prepared a report on the Republic's budget for 1989. According to the report, difficulties in maintaining a steady flow of foreign exchange; unfavorable exchange rates for exports; delays in paying the foreign debt; internal political pressures that are preventing a reorganization of public finances; and the rapidly increasing foreign and domestic debt would totally negate any positive effects that might be felt from an economic recovery.

According to the study, trade imbalances and the recurring fiscal deficit constituted the chief obstacles to the country's development from 1981 to 1988.

Budget analysts indicated that these basic problems are reflected in at least two current realities: first, accelerating inflation accompanied by the devaluation of the lempira and the corresponding rise in the dollar, which hampers international trade; and second, the huge foreign debt, which consumes 450 million lempiras every day for interest and principal payments.

In analyzing the foreign debt, the report notes that the economic and financial crisis has increased the already considerable contradictions within Honduran society. While a huge sector of the population, 400,000 persons, is without income and revenues, there are small segments that enjoy good incomes and a general sense of well-being.

Unfortunately, the experts say, the current economic crisis is the longest in 3 decades. In addition to hampering Central America's political development, this situation portends bankruptcy without any possibility of an immediate recovery. The report notes that in 1981 the deficit was 642 million lempiras and there is a gap of 144. [sentence as heard] However, in 1987, there is a positive debt at 82. [sentence as heard]

The document says the implementation of a misguided government economic policy is turning the financial crisis into a true monetary devaluation, with the foreseen social and political consequences. It adds that, from the first Liberal government of Roberto Suazo the mistake has been to increase expenditures way beyond regular revenues. This situation causes the elimination of domestic savings with which to finance capital investment projects.

In the face of the additional deficit crisis, the report notes, the Suazo and Azcona administrations have incurred foreign debts to finance capital expenditures. In the last period, the administration allocated donations from friendly nations to cover regular and capital expenditures. This is an extreme and unacceptable situation of total dependency.

Were we to look at the budget-adjustment figures at the end of every fiscal year, a comparative chart would show that in 1981 the state's regular revenues totaled 741.2 million lempiras, which by 1987 had risen to 1,289.4 billion lempiras. While regular expenses in 1981 totaled 787.2 million lempiras, which represents a fiscal deficit of 46 million lempiras, in 1987 they totaled 1,453.4 billion lempiras, which reflects a deficit of 184 million lempiras. According to the report, the country's total deficit in 1981 was 289.2 million lempiras, which by 1987 had risen to 901.4 million lempiras.

The document also states that the uncontrolled use of foreign credit in recent years and the international [words indistinct] efforts have considerably increased Honduras' foreign dependency. According to the report, Honduras' total public debt currently stands at 2,350.6 billion lempiras for the internal debt and 5,154 billion lempiras for the foreign debt, which places Honduras' total public debt at 7,504.6 billion lempiras. The report also states that despite the seriousness of the situation described, the structure of the budget the executive branch has proposed to the National Congress for 1989 has not changed and was prepared following the same guidelines. The general budget for 1989 is 2,171.8 billion lempiras, with a growth rate of 7.7 percent over the 1988 budget. The total increase is 156.2 million lempiras.

The central government has budgeted regular revenues for 1989 of 1,495 billion lempiras, which represents an 8.6 percent increase over 1988. Capital income is made up primarily of internal credit set at 401 million lempiras, while foreign funds total 154 million lempiras and aid grants have been estimated at 121 million lempiras.

Current expenses total 1,494 billion lempiras with a 6.8 percent growth rate, which is slightly lower than the growth rate for regular income. Nevertheless, the report points out that the budget is very similar to the 1987 expense budget, from which it can be concluded that regular expenses in 1989 will surpass the amount budgeted.

The report concludes that the current economic and financial crisis the Honduran people are facing is the most serious in the nation's history. The financial situation shows no indications of short-term improvement, and it thus demands top-priority attention as well as drastic measures to remedy the situation. [passage omitted]

Nicaragua

Ortega To Visit Gorbachev in New York

PA0112012388 Panama City ACAN in Spanish 0029 GMT 1 Dec 88

[Excerpt] Managua, 30 Nov (ACAN - EFE)—The opposition newspaper LA PRENSA stated today that Nicaraguan President Daniel Ortega will travel to New York this weekend to meet with the Soviet leader Mikhail Gorbachev. Gorbachev is scheduled to meet with U.S. President-elect George Bush on 5 December.

According to the same source, the Nicaraguan Government has requested more than 20 visas for the trip from the U.S. Embassy in Managua. Nobody at the mentioned diplomatic legation has either confirmed or denied the information.

Nicaraguan Presidency sources reported to ACAN - EFE that "it is probable that President Ortega will travel to New York," but they did not confirm the information. [passage omitted]

Ortega on Recovery Efforts, U.S. Relations

AU2811205988 East Berlin NEUES DEUTSCHLAND in German 25 Nov 88 p 6

[Report on interview with Daniel Ortega, coordinator of the Executive Committee of the National Directorate of the FSLN and president of the Republic of Nicaragua, by Diethilde and Detlef Klementz in Managua: "Nicaragua Struggles Persistently for Peace in the Region"; date not given]

[Text] More than 4 weeks after Hurricane "Joan" left a trail of devastation in the country, the Sandinista Government is focusing its attention on "ensuring the country's national defense and on the quick stabilization of food production and the ensuring of agricultural exports." This was stated by Daniel Ortega, coordinator of the Executive Committee of the FSLN and president of Nicaragua, during an interview with our correspondents in Managua.

The Most Important Thing Today Is Production

Against the backdrop of the damage caused by the storm and the aggravated economic situation that resulted from it, every citizen's task is to work to improve the situation in the country. "In view of the great losses in agriculture, all efforts are currently being directed toward the production of food, even if in many cases the peasants have no roof over their heads."

In the completely destroyed towns of Bluefields, El Rama, and in the region of Nueva Guinea, the reconstruction of apartments has been started on a broad scale with the help of the population. Daniel Ortega paid tribute to the quick support of numerous states, including Cuba, the Soviet Union, Sweden, Spain, and Norway. "I would like to take this opportunity to convey thanks to Comrade Erich Honecker, to the party, the Government, and the people of the GDR for the active and internationalist solidarity they provided for our country," the president stressed.

Speaking about the situation in Central America, the president referred to a proposal submitted by his government which suggests the deployment of an international peace force on the border between Honduras and Nicaragua. "This initiative has been taken up by Honduras, and it is also supported by Costa Rica. What is important now is to realize this proposal."

Daniel Ortega reaffirmed the FSLN's firm intention to continue to struggle persistently for a lasting peace in Nicaragua and the whole region. "The main obstacle continues to be the U.S. Administration, whose policy is running counter to a solution on the basis of negotiations, to the Contadora peace process, and to the Esquipulas agreement of August last year."

Dialogue Within the Framework of the Constitution

The continuation and the success of the national dialogue with the internal political opposition, which was broken off about 5 months ago, depend primarily on Washington's behavior. "Influential opposition forces in Nicaragua are acting as instruments of the United States," Daniel Ortega stressed.

Dialogue must develop on the basis of the regional peace agreement and within the framework of the constitutions of the respective Central American states. "In Nicaragua, however, certain forces within the opposition, in coordination with the United States, are not willing to respect the constitutional framework, the laws of the country," the president explained.

Daniel Ortega assessed as complicated a possible continuation of talks between the government and the leadership of the contras on a final cease-fire. It is true that there are forces within the contras, like Alfredo Cesar, who are in favor of continued negotiations, but they lack sufficient support, he pointed out. "The CIA exerts considerable influence through Enrique Bermudez, who continues to take an obstinate stance and is not interested in peace." Bermudez hopes for further military aid from the United States under the leadership of the new U.S. Administration. In this connection, Daniel Ortega stressed the readiness of his government to conduct direct talks with Washington on the normalization of relations.

USSR Grants $300-Million Credit, Donates Aid

PA3011181488 Managua Sistema Sandinista Television Network 0200 GMT 29 Nov 88

[Text] The USSR has granted Nicaragua $300 million in credit. The agreements were signed in Moscow during the fourth meeting of the USSR-Nicaragua Joint Commission.

The Nicaraguan delegation was headed by Minister of Foreign Cooperation Henry Ruiz. During the 3-day meeting experts from the two countries analyzed new possibilities of Soviet cooperation with Nicaragua. The USSR will also donate approximately $24 million and more than 30,000 tons of wheat and rice are expected to arrive in our country in the next few days.

[Begin Ruiz recording] We negotiated pending debts from past credits with positive results and, above all, we determined the priority that will be given to projects. There are excellent plans to use the resources—approximately $50 million is still available [word indistinct] which will be reassigned according to our needs, particularly reconstruction. [end recording]

While in the USSR the Nicaraguan delegation also met with members of the Politburo, with whom they discussed the Central American situation and economic assistance.

Communique on Cease-Fire Extension Issued

PA3011123088 Managua Radio Sandino in Spanish 1205 GMT 30 Nov 88

[Communique No 77 issued by the Presidential Press and Information Directorate in Managua; date not given]

[Text] The Presidential Press and Information Directorate reports that in the spirit of the Esquipulas II agreement for the establishment of a firm and lasting peace in Central America and of the Sapoa agreement for the establishment of a permanent cease-fire, and to facilitate the laying down of weapons by the counterrevolutionary groups, their acceptance of the amnesty, and their return to normal life, the constitutional Nicaraguan Government has unilaterally extended the suspension of offensive military operations until 31 December.

This measure is valid throughout the nation and should not affect the people's mobilization plans for the defense of the fatherland in the face of the danger of direct or indirect aggression by the U.S. Administration.

Panama

Solis Palma Addresses 'Group of 77' Meeting

PA3011144188 Panama City Domestic Service in Spanish 1508 GMT 29 Nov 88

[Speech by Manuel Solis Palma, minister in charge of the Presidency, at the opening of the Group of 77 National Agencies of Technical Cooperation's third biennial meeting at the Atlapa Convention Center in Panama City—live]

[Text] Good morning. Your Excellency Samir Kouba, representing the Group of 77's president [as heard]; ministers of state; comptroller general; honorable legislators; members of the honorable diplomatic corps; deputy ministers of state; Colonel Marcos Justines, chief of the Panama Defense Forces General Staff; delegation leaders; representatives of international and regional organizations; directors of decentralized institutions; delegates; observers; representatives of international organizations accredited in Panama; Rafael Paniza, director of the Planning and Economic Policy Ministry's Office of Technical Cooperation; madame mayor of Panama District; special guests; national and international press; ladies and gentlemen:

Welcome to Panama, gentlemen delegates. My government and the Panamanian people offer you the warmest welcome, and through you we send brotherly greetings to the nations you represent.

Mr President: In expressing Panama's deepest gratitude for having been chosen to host the third biennial meeting of National Technical Cooperation Agency leaders from developing countries, I must say that Panama's selection in itself implies that the Group of 77 is moving toward necessary political decisions aimed at achieving substantial changes in international economic relations.

The Group of 77's many statements in support of the Panamanian people and the fact that a meeting of this nature is being held here at this time are actions that can no longer be considered as only rhetorical, elegant, or noble gestures. They are political actions that are a step forward in meeting our peoples' hopes. At stake today in Panama is an issue that directly involves the Group of 77's member countries, because it is the very root of the injustices that prevail in international political and economic relations. These injustices have prevailed because a structure of predominance has been maintained and certain development patterns continue to be imposed on our countries so they may conveniently meet the needs of more developed countries.

Our national liberation struggles and our search for indigenous lifestyles threaten the continuity of the inequalities that constitute the current economic order; therefore, any step in that direction brings about reactions from the most influential power centers, which are determined to eliminate these struggles in order to shatter our peoples' liberation efforts.

That is where the eye of the hurricane hitting Panama is. It is also evident that solidarity with the Panamanian cause is a political decision in defense of the common cause of our countries.

Undoubtedly, you, the heads of national technical cooperation organizations, have on this occasion a potentially constructive agenda, as the organization's president has stated. The agenda calls for specific tasks that should play a decisive role to turn efforts and analyses into specific work.

Your abilities and the weight that your opinion has in decisionmaking processes in your respective countries makes the importance of this meeting clear.

Since you are capable of identifying our countries' development problems and of proposing plans aimed at finding effective solutions, I want to present here some ideas to contribute to the debate in which the Group of the 77 governments have engaged to make important decisions without delay.

The struggle for a new international economic order has to be braver and more realistic. We have fruitlessly tried for years to secure fairness in trade and in the mechanisms used to set prices for the raw materials and agricultural products we export and for the machinery and goods we import. There is also unfairness in the price we have to pay for foreign investments and capital.

The sad results of this unfairness in recent years have been made clear by statements like the one made a few days ago by the president of the IDB, who called the past 10 years a lost decade for Latin America. These sad results are also made evident by the following statement, a statement that could surprise some people, a statement that expands on, and confirms, this opinion. I quote: There is the generalized belief that our continent receives financial aid, but facts show the opposite. We can affirm that Latin America is contributing to finance the development of the United States and other industrialized countries. Private investments in Latin America have resulted in much more money being taken out of our continent than what is put in. Our capital is declining, while the invested capital is multiplying itself in an impressive fashion—not in our countries, but abroad.

The so-called aid, and all its well-known conditions, means larger markets and more development for developed countries, but it has not been able to restore the money taken out of Latin America to pay the foreign debt and in the form of profits from direct private investment. We know Latin America is giving more than what it is receiving. Based on this, it is impossible to establish any kind of solidarity or positive and stable cooperation. End of quote.

What I have just finished reading is not a recent statement. It is a statement made on 12 July 1969 by the foreign minister of Chile at that time, Gabriel Valdes, to former U.S. President Richard Nixon. Any foreign minister from Latin America or any other continent represented here could make the same statement to President Reagan or to the chief of state of any major power.

For the Third World this means we have made no progress in years because we have achieved nothing of importance.

Panama's recent experiences have made it possible for us to pinpoint a number of vulnerable areas that are not just the consequences of economic dependence, but are also tools of political domination to preserve inequalities and injustices in international relations. The machinery to twist reality and to control minds through organized falsehoods, cultural penetration, and destabilizing propaganda, like that which has been used to subdue the Panamanian people, is not an isolated phenomenon. The misrepresentation and distortion of the desires and aspirations of a people is a long-term process that is being applied to many other countries. To a greater or lesser degree, depending on the extent of the dependence, the new generations of many of our countries are being systematically bombarded with the new idols of false ideas, alien habits, imported appetites, and foreign traditions.

While you are here, you will be able to see for yourselves the extent of the distorting capacity of the weapon of deceit and the campaign of disinformation that was unleashed against my country. You will see what kind of government Panama has—the true level of political freedoms—and you will be able to personally observe the massive, indiscriminate destruction of our economy caused by the U.S. aggression and the resultant suffering of the Panamanian people.

Mr President: For a long time our countries were described as backward. Then we became underdeveloped; finally, we became developing countries. In that very nomenclature we can find clear signs of a cultural domination that is translated into economic and political domination merely through the establishment of a euphemism to obscure the true division of the world into rich and poor countries, into privileged countries and countries that make those privileges possible.

If we are said to be developing countries, we must ask ourselves the following questions: What kind of development, and in what terms of human dignity and happiness? The prevailing concept of development implies that our peoples' misery is a structural evil. Therefore it is necessary to revise the concept of development and create new mechanisms of technical cooperation to achieve a real, indigenous development of each of our peoples, a development that is primarily and consistently directed toward the eradication of poverty instead of toward the pursuit of fantasies of progress and happiness by sacrificing our identity and dehumanizing our lives. Is it by chance inevitable that the human societies in our countries should copy the model of a consumer society that portrays the superfluous as necessities and the luxurious [lo objectivo] as basic? I firmly believe the Group of 77's struggle will lead us, in the final analysis, to a recovery of our societies' true nobility.

Mssrs delegates: I have seen that your agenda includes the exchange of information as a specific topic. I believe this could be one of the most fruitful topics, both in the discussions that you begin today and in the broader agreements that we may later reach at the government level. In Panama we have experience in banking and finance, international trade, maritime affairs, and the

management of merchandise, which we can share with many brother countries of America, Asia, or Africa. Similarly, those countries have very valuable traditions, knowledge, and experience in the areas of agriculture, natural resources, and industrialization that could be very useful to us. In addition, each of our countries has very rich experience in the solution of specific problems that are very similar to the problems experienced by others. We have a background of successes and failures in practical solutions that we could all use.

The technical know-how, common sense, and the will to serve of our best men in the face of difficult problems plaguing important parts of society may well be a major item in technical cooperation programs for development that would little by little erode the shackles of international economic servitude. We must not stop pressuring the rich countries to agree to implement the new international economic order we want to see established. Moreover, we must insist that the detente and arms reduction agreements among the superpowers translate into greater well-being for those of us who have less.

This is the time for active and militant solidarity. The world's military, industrial, and financial power centers should have begun to realize—after seeing the results of their meddling in some of our countries—that the formula for subduing a people through violence can only lead to failure and may turn their sources of raw materials and markets into permanent battlefields. They know this is not good for them because it is a tremendous threat to their foreign policy, economy, and security.

The tragedy that has resulted in Panama from the strategy of low-intensity conflict must have opened the eyes of the governments of the countries that have an influence on the world's direction. The attempt to force the armies of poor countries to faithfully adhere to models of economic development conceived in accordance with a common pattern of convenience and to sow dissension in societies through destabilization and deceit can only lead the armed forces to become administrators of violence, as has already happened in some places, where weapons are used only to quell and suppress the people's demands.

They must understand that in order to maintain peace and security it is necessary to respect the fundamental principle of self-determination, which implies the right of each country to solve its own problems with its own methods, without any foreign meddling or overt or covert intervention in its internal affairs. They must have begun to realize that the best guarantee of a lasting peace lies in the local settlement of internal problems and on institutional evolution through domestic national consensus without impositions; that one can always get more from peace; and that it brings real benefits to all. In addition, experience has shown that South-South relations can turn out to be more effective in taking advantage of the benefits from the flow of goods, technology, and information. It is likewise indispensable to institutionalize these relations through integration that is conceived as an act of political will of the states that can really help overcome poverty.

Some 20 years ago, while teaching at a U.S. university, the current Greek prime minister said the growth model, the growth structure, of developing countries has been directed toward meeting the needs of developed countries rather than their own. He added that when an opportunity for the specific use of resources at a given time is passed up, it may never return. He warned that the history of developing countries is the history of an accumulation of passed-up opportunities.

Let us correct this situation. Let us take advantage of the very valuable lessons of our distinguished colleague Andreas Papandreou and of Gabriel Valdes' brave and brilliant remarks in 1969, which we have ignored for 2 decades, while the explosive force of poverty in our countries was growing and continues growing in a terrible manner. Now is not only the most opportune time, but there is no room for us to procrastinate any further.

I hope my humble comments will in some way contribute to the very momentous and profoundly human work you have come to do in Panama; for this I reiterate to you our most cordial welcome and give a warm embrace to all your countries. Thank you very much. [applause]

Solis Palma Comments on Economic Situation

PA3011223888 Panama City Circuito RPC Television in Spanish 2300 GMT 29 Nov 88

[Interview with Manuel Solis Palma, minister in charge of the Presidency, by local and foreign reporters at the Atlapa Convention Center in Panama City on 29 November—recorded]

[Text] [Solis Palma] I believe these kinds of meetings [Group of 77 meeting in Panama] have always had a good purpose—although when all is said and done, each country seeks its own solutions in a very individual manner instead of seeking collective solutions. That is where we become lost; for example, that has been the problem with the foreign debt. When one country suggests examining the foreign debt problem jointly, other countries say: No, we think we can reach our own agreement with the IMF or the World Bank, etc., so let us see how we solve our problem. That attitude takes countries away from collective solutions and from what could benefit the entire group. In that way, we end up abandoning other countries.

However, I think we have enough experience so we will not continue walking on the path of disunity, although we are very united at meetings.

[Reporter] Mr President, the contingency plan is 1 week old today. We would like to know whether it has provided any solutions to the Panamanian crisis.

[Solis Palma] The solution to the crisis will come in the carrying out of the plan. The contingency plan only initiates certain works, which could lead toward improving the situation or solving the crisis. This afternoon, the general government council will meet to assess the position of each of the ministers and the directors of the autonomous institutions to give a specific answer.

[Reporter] It has been said there is a problem between the economic cabinet and the proposal presented by the commission. It has been said the economic cabinet has rejected the proposal.

[Solis Palma] The economic cabinet has not met separately, so I cannot tell you they have adopted a certain position. Those commentaries are probably based on previous issues and basically on the problem of the famous checks issued to the bearer.

The economic cabinet thought those checks were practically the same as issuing unbacked currency, which would be harmful and could produce very high inflation in the country. In addition, there is no certainty the check system would be accepted. If it were not accepted, it would harm the country instead of helping improve the situation. That is the position of the economic cabinet concerning the checks issued to the bearer.

[Reporter] Will there be any changes in your cabinet?

[Solis Palma] Not for the time being. I think we are working with a variety of ideas, but with a basic desire to benefit the country.

[Reporter] What can you tell us about the establishment of relations with the Soviet Union?

[Solis Palma] We are talking about establishing trade relations with any country in the world, not only with the Soviet Union. We believe, we know, the only country in the world without trade relations with some socialist countries is Panama.

I can tell you those anticommunists—who see the arrival of communism in every establishment of relations with socialist countries, including Cuba—are the first to take advantage of the trade relations for their own benefit.

[Reporter] Will the Budget and Economic Policy Ministry reduce the public sector payroll?

[Solis Palma] We have not decided which budget allocations will be reduced. I can tell you, however, we will try to solve the Panamanian people's most pressing problems, and perhaps those solutions would entail changes in the payroll; however, no decisions have been made yet.

Opposition Plan Reportedly Cleared With Bush

PA0112003988 Panama City MEDIODIA in Spanish 30 Nov 88 p 10

[Text] Opposition sources have revealed that the multiparty document signed by the parties opposed to the present government, proposing the establishment of a national transition government, was drafted after a meeting in Miami between representatives of U.S. President-elect George Bush and Carlos Rodriguez, former vice presidential candidate of the Democratic Opposition Alliance.

According to our sources, Bush's representatives maintained they will have solved the problem with Panama by 20 January 1989, but they needed to have the opposition abandon its radical attitude and open up "the political spectrum" to allow other sectors to participate in a government of national reconciliation .

Official Terms U.S. Plan on Taxes 'Violation'

PA0112012088 Panama City MEDIODIA in Spanish 30 Nov 88 p 10

[Text] The Honorable Legislator Luis Gomez, president of the Canal Affairs Commission, has reported to MEDIODIA what he termed "another arbitrary U.S. action disregarding the law and the precepts of the Torrijos - Carter Treaties."

Gomez gave the "scoop" to this paper that on instructions from the U.S. Government, the Panama Canal Commission has decided to turn over taxes withheld from employees to the employees themselves, in violation of the law in this regard.

"We have a meeting of the Canal Affairs Commission scheduled for tomorrow in which we plan to halt the legal action against canal employees proposed by the Ministry of Finance and Treasury in response to the problem of the withheld taxes, but if these funds are turned over to the employees instead of to the corresponding state institutions, we will devise mechanisms to force the employees to pay those taxes directly," Gomez said.

"This is nothing more than another position in violation of the Panama Canal agreements contained in the Torrijos - Carter Treaties," Gomez said.

Legislator Says U.S. Embassy Pays Closed Media

PA3011212088 Panama City MEDIODIA in Spanish 29 Nov 88 p 10

[Text] The U.S. Embassy continues to pay money to closed newspapers, it was claimed by Legislator Camilo Gozaine, president of the Legislative Assembly's Communication and Transportation Commission.

"The newspapers remain closed but the U.S. Embassy continues to pay them money," it was stated by Gozaine. He referred to the contacts carried out at the parliamentary level to solve the unemployment problem that afflicts the journalists who worked in the closed media, both newspapers and radio stations.

The journalists are not responsible for the media's closure, "but the responsibility fell on them rather than on those who are still being subsidized by the United States and are able to live without problems," it was stated by Gozaine, who added that "an appeal will be issued to the latter."

The Communication and Transportation Commission will meet this week to discuss the news media's reopening. The meeting will be attended by the Journalists Union of Panama, according to its president, Ramon Castellanos.

Ritter on Normalizing Relations With U.S.

PA3011162088 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Nov 88 p A-1

[Report by James Aparicio]

[Text] Foreign Affairs Minister Jorge Ritter has told LA ESTRELLA DE PANAMA that Panama is willing to normalize relations with the United States "on the basis of mutual respect and respect for Panama's dignity."

"We want to normalize relations with the United States," Ritter said, adding that "if normalization can be attained on that basis, it will be welcomed."

Ritter described the U.S. press as "not very serious" for announcing alleged possible agreements with Panama that do not exist.

Ritter said "it does not seem very serious to me that these revelations and proposals are being made public when they have not even been announced to the Panamanian Government, which would be the party one would naturally address in such a case."

Ritter, referring to how relations have deteriorated in the last 17 months, said that a normalization "will not happen just by fixing a date; we must have the proper conditions."

Since June of last year, Panama-U.S. relations have reached their lowest point in 24 years. Both countries broke relations 24 years ago because of a conflict on 9 and 10 January 1964.

The conflict occurred when a group of Panamanian students tried to reaffirm Panama's sovereignty in the no longer existing "Canal Zone". This led to the death of 21 Panamanian students and dozens of wounded at the hands of the U.S. Army.

Ritter condemned the "aggression" that Panama is suffering and stated that "as of yet, Panama has had no contact with the U.S. Government."

'Possible Defection' of Cuban Government Official

PA3011223188 Panama City MEDIODIA in Spanish 30 Nov 88 p 2

[Text] Unofficial reports circulated yesterday about the possible defection of a female Cuban Government official who was participating in the meeting of heads of technical cooperation organizations being held at the Atlapa Convention Center since Sunday.

However, His Excellency Lazaro Mora, Cuban ambassador to Panama, said in a brief conversation with MEDIODIA reporters that he has no information about the defection of his compatriot.

CONATO Forms Independent Political Party

PA3011133088 Panama City MEDIODIA in Spanish 29 Nov 88 p 10

[Text] The National Council of Organized Workers (CONATO) has approved the formation of the Confederation of People's Democratic Forces [Concentracion de Fuerzas Populares Democraticas—CFPD], a political alliance independent of the government and opposition that will participate in the 7 May 1989 elections.

CONATO, one of the country's leading labor unions, took this measure at a meeting on Saturday at CONATO headquarters in Perejil.

A document issued after the meeting pointed out that "since there is no indication of any willingness on the part of the conflicting political groups, we have adopted an independent position in order to confront the nation's problems and create an authentic democratic and popular alternative that will help the masses truly solve their problems."

CONATO explains in its proposal that the objective of the new alliance is to represent the popular movement's legitimate goals in the upcoming elections.

CONATO also lists a series of reasons why the elections should be held, among which are the improvement of Panama's international image as a democratic country and the need to form a new Legislative Assembly that will genuinely represent the people's interests.

CONATO also states that elections should be held to ensure the formation of a government that will safeguard our sovereignty, enjoy adequate popular support, and guarantee the colonial dismantling established in the Torrijos-Carter treaties. Also, elections should be held so a president can be elected who will have the Panamanian people's interests at heart, who will be a true anti-imperialist and a Third World supporter immune to treason against the fatherland.

Foreign Minister Submits Bill for USSR Trade

PA3011190188 Panama City CRITICA in Spanish 30 Nov 88 pp 1, 18

[Text] "The trade agreement between the USSR and Panama offers advantages to private enterprise and to a country that needs to expand its markets," Foreign Minister Jorge Ritter told legislators as he presented them with the document for their ratification.

The agreement was signed in our country on 8 October 1979, and it contributes to the strengthening of trade relations on the basis of equality and reciprocal advantages, according to Foreign Minister Ritter.

The foreign minister told CRITICA, after submitting the document to the Legislative Assembly, that "we believe it is in the nation's best interest to establish formal trade relations between Panama and the USSR."

The foreign minister pointed out that "socialist countries are very important nontraditional markets the promotion and the opportunity for Panama to show off its products in Soviet fairs and so we can learn about great technology, often much more accessible and cheaper for Panama. [sentence as published] I believe this will benefit all Panamanians, especially private enterprise, which benefits the most in these cases because of the opportunity they will have to sell their products in nontraditional markets," the foreign minister said.

The foreign minister also submitted a bill to the Legislative Assembly "to establish the Latin American parliament, which was signed in 1987, and another bill that involves a constitutive agreement of Latin American information systems, which benefits Third World countries that need to publicize their situations and interests. [no closing quotation mark as published]

Official Says Wage Loss Hurts Social Security

PA3011213988 Panama City MEDIODIA in Spanish 29 Nov 88 p 7

[Text] Leroy Jackson, member of the Social Security Fund's Board of Directors, has said 20 percent of the institution's operational activities have been affected by 170 million balboas that have stopped circulating in the Republic of Panama. Jackson expressed his concern that 80 percent of the fund's income is obtained through employee - employer contributions, and that the future of the country's main social institution is now even gloomier because the number of unemployed people has increased by 60,000.

We must realize Panama has a population of 2.4 million people, of which the Social Security Fund absorbs 400,000 people who are beneficiaries, and it is our duty to continue giving our services to that community, Jackson stressed.

Argentina

Alfonsin, Sarney Visit Ezeiza Atomic Center

PY3011202888 Buenos Aires TELAM in Spanish 1444 GMT 30 Nov 88

[Text] Buenos Aires, 30 Nov (TELAM)—Today Presidents Raul Alfonsin and Jose Sarney visited the Ezeiza Atomic Center. There Alfonsin reiterated that the two countries will continue to work for a Latin American common market.

Alfonsin and Sarney inspected the laboratory of radiochemical processes. The laboratory, in the last stages of construction, is designed to reprocess irradiated fuels, an action that is part of the cycle of nuclear fuels.

Alfonsin said that Argentina and Brazil are working in peace without hiding anything. Alfonsin stressed that the two countries are working on a number of projects, and one of them includes work on nuclear energy.

Asked about the possibility of integrating other countries into the current process, Alfonsin said this was quite possible.

Regarding his trip to Mexico, which begins today, and the possibility of a Group of Eight meeting in that country, Alfonsin said he will meet with some of the Group of Eight presidents who are in Mexico now.

Upon arriving at the nuclear center, Sarney was received by President Alfonsin, who had arrived minutes before 0830, and by Emma Perez Ferreira, president of the National Commission for Atomic Energy [CNEA].

After the greetings, the two presidents walked to the auditorium of the center, where they were welcomed by the CNEA president, who stressed that their presence demonstrated the two countries' desire to advance technologically. Then Juan Almagro, CNEA manager of Chemical Processes, explained the kind of work the laboratory was doing.

Immediately afterward, the two presidents inspected the laboratory and toasted it with wine. Authorities at the center presented them with plaques as souvenirs of their visit.

Alfonsin told reporters that Uruguayan President Julio Sanguinetti remained in Buenos Aires because he had other engagements.

Sarney on Bilateral Trade, Integration

PY3011225288 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1715 GMT 30 Nov 88

[Text] Buenos Aires, 30 Nov (NA)—Brazilian President Jose Sarney has announced that Brazil has agreed to buy 326 civilian Argentine planes in order to balance its trade with Argentina.

Brazil will also increase the participation of Argentine companies in its public projects to solve, as soon as possible, the trade deficit that has been plaguing Argentina despite the integration agreements that the two countries recently signed.

Sarney also stressed that his administration is "concerned" about the surplus that favors Brazil in its trade with Argentina, and about the inflationary process.

Sarney said that "inflation is one of the evils that harms Latin American integration most because it provokes pessimism and a loss of faith in the people democracy."

He said that the Latin American economic crisis is being worsened by the burden of our foreign debt. He stressed the importance of the "Joint Latin American Proposal" that was drawn up by the Rio de Janeiro Group. This group was created during the Group of Eight presidential summit in Punta del Este.

Concerning the trade surplus that benefits Brazil in its trade with Argentina, Sarney said that "it does not have anything to do with the integration policy. He also denied that this surplus has prompted the recent agreements.

"This surplus is the result of our countries' economic difficulties and the marketing of traditional goods that are not included in the protocol of integration that we have just signed," Sarney said.[sentence as received]

Sarney said that the agreements signed during his visit to Buenos Aires "will permit the circulation of goods and services in both countries and establish common tariffs for trade with the rest of the world."

He added that "shortly before traveling to Buenos Aires, I signed the document authorizing Brazil to purchase 326 planes manufactured in Argentina in order to balance trade."

Business sources have reported that Brazil will purchase planes from the Aeroboero factory, located in Mortero, Cordoba Province. This factory has already sold 100 planes to Brazil.

Aeroboero is planning to sell 350 115-AB-type planes for training civilian pilots and 70 180-AB-type planes designed to tow civilian gliders.

Sarney said "there is no lack of trust" regarding the nuclear race between the two countries, stressing that "our only wish is to jointly cooperate for the development of advanced technology."

He said that the "honesty and reliability of our bilateral relations" guarantee that the agreements on the peaceful use of nuclear energy will be respected by the two countries.

He openly ruled out new incidents like the one that occurred when Brazil closed the floodgates of the Itaipu hydroelectric dam or the difficulties encountered over the import of some Argentine products (cheese and wines).

Asked whether these incidents might occur again, Sarney said that "integration is a difficult process, but those are minor problems, and under the current level of our relations we can solve any problem by telephone."

He said that during the Group of Eight summit, the issue on the Itaipu Dam was discussed with President Alfonsin, adding that "we will continue to comply" with the terms of a trilateral agreement signed by Brazil, Paraguay and Argentina.

Concerning the protocols of integration, Sarney said that "they will continue to be in effect "during future administrations of the two countries because "these protocols represent a commitment that has been undertaken by our countries."

Uruguayan President Signs Tripartite Agreement

PY3011175188 Buenos Aires TELAM in Spanish 1607 GMT 30 Nov 88

[Text] Buenos Aires, 30 Nov (TELAM)—After signing tripartite agreements with Argentine President Raul Alfonsin and Brazilian President Jose Sarney, Uruguayan President Julio Maria Sanguinetti said his country takes part in these tripartite accords in a brotherly fashion.

Sanguinetti admitted that there are certain economic incompatibilities which are not easy to overcome, but that the prospects are very good.

Sanguinetti pointed out that these treaties are the result of the dynamic relations that have developed over the last 4 years. He said that these relations point toward a promising future for the region.

After signing the protocols, the Argentine, Brazilian, and Uruguayan presidents will attend a barbecue at the Olivos Residence bungalow.

Departs for Uruguay

PY3011175588 Buenos Aires TELAM in Spanish 1743 GMT 30 Nov 88

[Text] Buenos Aires, 30 Nov (TELAM)—Uruguayan President Julio Maria Sanguinetti departed from the Jorge Newbery Airport at 1430 [1730 GMT] on board a regular PLUNA flight.

Sanguinetti was seen off in the Aerolineas Argentinas VIP lounge by Interior Minister Enrique Nosiglia. It had been reported that the Uruguayan chief of state was scheduled to leave from Ezeiza International Airport.

President Sarney Departs for Brazil After Talks

PY3011190188 Buenos Aires TELAM in Spanish 1815 GMT 30 Nov 88

[Text] Buenos Aires, 30 Nov (TELAM)—Brazilian President Jose Sarney today stressed that, with the signing of the agreements, we are concluding a very important process in the matter of regional integration, not only that of Brazil and Argentina, but also of Latin America as a whole.

Sarney made this remark at Ezeiza International Airport when he departed at 1450 for Brasilia on a special flight.

After saying goodbye to President Raul Alfonsin, the Brazilian chief of state expressed his thanks for the warm reception given by Argentina, and he stated that he wished to greet the Argentine people with the friendship of the Brazilian people.

Alfonsin Leaves for Mexican Inauguration

PY3011190388 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1802 GMT 30 Nov 88

[Text] Buenos Aires, 30 Nov (NA)—President Raul Alfonsin departed at 1435 [1735 GMT] for Mexico to participate in the inauguration ceremony of Mexican President-elect Carlos Salinas de Gortari.

In brief remarks to journalists, Alfonsin said that he will talk to the new Mexican chief of state about the "dramatic situation of Latin America that has been provoked by the foreign debt."

He will also discuss bilateral integration with Salinas, and he will explain the agreements that were signed with Brazilian President Jose Sarney on 29 November.

Alfonsin stated that he will possibly meet in Mexico City with U.S. Secretary of State George Shultz.

The chief of state stressed that his trip to Mexico is a way to reaffirm the traditional contacts between Latin American chiefs of state who assumed their presidencies in 1983, but who are now, one by one, leaving their posts. Next year it will be Argentina's turn, and he said that now he hopes to be able to get some rest.

World Bank Grants $420 Million Housing Loan

PY3011223788 Buenos Aires BUENOS AIRES HERALD in English 30 Nov 88 p 1

[Text] Washington—The World Bank yesterday granted Argentina loans worth 420 million dollars for housing and development programmes, officials announced.

One loan, worth 300 million dollars, is to finance a programme to construct or improve some 60,000 low cost homes.

"This means more homes for more people in the shortest time possible, at an adequate economic level," said Argentine Public Health and Welfare Minister Elba Roulet, who signed the loan agreement for the government.

*** Study Shows Categories of Independent Voters**
33480020a Buenos Aires SOMOS in Spanish
10 Oct 88 pp 22-25

[Article by Ruben Correa]

[Text] Under the pressure of crisis, Argentine political culture is changing. Experts in politics and sociology acknowledge that in the final analysis, the electoral constituency is part of a complex system in which people are assuming even more independent attitudes toward the parties, a trend that is both good and bad.

This transformation has not come out of the blue; on the contrary, it is typically associated with democratic transitions, such as Argentina's, in which the parties are subjected to severe tests. New democracies start out with high expectations or demands, and the economic situation, which is influenced primarily by external restrictions, quickly identifies the objective limits.

The parties that presided over the transition have paid, as in the case of Adolfo Suarez' Democratic Center Union (UCD) in Spain, a high price for the difficulties they encountered in meeting the newly awakened expectations. But what could turn out to be a disappointment affects not only these forces, but the party system as a whole, because in significant portions of the electorate there is a growing tendency to view both the parties and political activity itself with skepticism or indifference and apathy.

This trend should be taken into consideration when we speak of the so-called independents, a concept that is no longer limited to describing the conduct of the rational voter-consumer. The latter is more an ideal construction than a real-life person.

Using two major categories, party sympathizers and independents, the latest trends in political analysis agree that the independents can be divided further into at least three main categories: rational independents, the disenchanted, and the apolitical. Their common denominator is that they do not identify with any one party, but they are distinguished by their mobility, that is, the relative ease with which they change preferences.

Within this conceptual framework, the firm Equas (Social Analysis Team) organized a baseline study of some characteristics of Argentine political culture. It made the so-called independents the centerpiece of its study.

The field study covered a sample of 800 cases in the capital and Greater Buenos Aires. Its purpose was to trace the political attitudes of independents throughout the elections from 1983 on, and to determine how their behaviors changed or solidified over time with regard to ideal alternatives such as democracy and order, and the parties' perceived ability to guarantee democracy or solve economic problems, among other factors.

According to Esteban Lijalad, who designed the study along with Enrique Zuleta Puceiro, it cannot be said that there is "an" independent today; rather, "there are as many independents as there are people who define themselves as independent." Despite the individualities, they can be classified as a function of political attitudes, which to a large extent are influenced by social status and identification with certain ideas, expectations, and fears.

In the subdivision of independents that Equas used, the rationals are those who evaluate each specific circumstance and vote as they see fit in each separate situation. It is a preferential vote that does not respond to affective motivations. "I don't wear a party label; I evaluate and vote," they say.

The disenchanted independents are those who used to be sympathizers but have ceased to be, out of disappointment or disillusionment. They feel that the parties have "failed" them, and that like "the politicians," the parties "are more interested in their own concerns than in people's needs." Among their most common assertions is that no party represents them.

'I'm Not Interested in the Apolitical'

The third segment corresponds to the apolitical respondents, those who answered directly, "I don't care about politics," or "I don't know if it interests me." If voting were not mandatory, they would surely join the ranks of the abstentionists on the sidelines of politics. They are not characterized by rational decisions or sympathies that have been betrayed, although to a certain extent their disillusionment with the political system makes them allies of the disenchanted independents.

If the socioeconomic level of those surveyed is taken into account, it appears that about 40 percent are in the low level and another 40 percent in the middle level. Among rational independents, a high percentage also belong to the low socioeconomic strata, but the category with the largest number of low-income adherents is the apolitical. The bulk of the disenchanted voters (nearly 60 percent of the category) are in the middle class.

These statistics appear to be consistent with the political and social alienation that is attributed to the apolitical and with the disenchantment that the middle classes feel for the performance of the Radicals and the Peronists. It should also be noted, however, that women predominate among the disenchanted, women who in 1983 and 1985 were characterized by their support for the Radical Civic Union (UCR).

The Equas study admits of several interpretations. It can be approached, for example, from the standpoint of the interest in politics expressed by the respondents. Thus, when asked whether they had low interest or high interest in politics, 50 percent of both sympathizers (those who are members of or identify with a party) and rational independents claimed low interest, and a like number expressed a high interest.

Among the disenchanted, on the other hand, 63 percent claimed low interest, while 91 percent of the apolitical said the same.

When sex is considered, women predominate among the disenchanted and the apolitical, while the subgroup of rational independents comprises 60 percent men and the remainder women.

The differences are more significant when the respondents are broken down according to socioeconomic level. The apolitical are concentrated in the lower strata: 68 percent of them belong to the low socioeconomic level. Among the disenchanted, the middle socioeconomic level predominates, while relatively few upper-class respondents can be found in the rational category, compared to other levels.

More important than these differences, however, are the basic political attitudes of the various segments. The respondents were asked to choose between democracy and order as a means of measuring their sensitivity to democracy.

Of the sympathizers, 59 percent chose democracy and 41 percent order. Among independents as a whole, the preference for order predominated: 51 percent for the rationals and disenchanted, but 67 percent among the apolitical.

"The apolitical respondent," in Lijalad's view, "is not only telling us 'I'm not interested in politics,' but also that he regards society the way it is today as very disorderly, and might prefer an authoritarian solution. Not only are these people a problem for the parties, but their vision of politics leans more toward order than toward the complicated interplay of parties, leaders, or people whom they do not regard as their representatives. This is a very heavy burden on the consolidation of democracy."

"There is no cause for alarm, but it is a fact that must be taken into consideration," emphasis Lijalad with regard to the sector of the population that "feels alienated from the political system, and that has values that give order priority over political freedom and democracy."

Of course, this allows Lijalad to reevaluate the sympathizers: "While more than 55 percent of the independents give in to the authoritarian temptation that more order is better, even if democratic freedoms are restricted a little, only 41 percent of the sympathizers admit that argument."

"The much maligned sympathizers," he argues, "are, in short, an important stabilizing factor in the political system, because they counterbalance the tendencies toward fragmentation that are expressed by the rational independents, the political regression expressed by the disenchanted, and the lack of political sophistication represented by the apolitical respondents."

"The obsession with the independents sometimes makes us forget about the sympathizers, but without them the situation would be much more complex in Argentina," maintains Lijalad. "The sympathizer may have a lot of flaws, he may be excessively emotional or lack the objectivity to assess politics, but he has a strong commitment to democracy, while this is very qualified in the other sectors."

The conduct that best characterizes the independents is undoubtedly the migration of their vote among the various electoral options. A more or less simplified analysis indicates that in 1983 the Peronists basically won the support of their sympathizers, just as they did in 1985, while the independents were turned off by them. But the 1987 election revealed that the main opposition party was winning back the independents from the Radicals.

Disenchanted and Rationals

This tendency is particularly evident in the Federal Capital, especially with the disenchanted and the rationals. In 1985, for example, 12 percent of the rationals claim to have voted for the Union of the Democratic Center (UCD), 21 percent in 1987. Fifty-four percent of the rationals voted for the Radicals in 1985, but that figure dropped to 37 percent 2 years later.

The attitude of the independents and the sympathizers is also noteworthy if we bear in mind the two axes, democracy and the economy. The questions, in these cases, were: "Which party can guarantee the strengthening of democracy?" and "Which party can guarantee the improvement of the economic situation?"

It is only among the sympathizers that most people think the Justicialist Party (PJ) can guarantee democracy better than the Radicals. In all categories of independents the prevailing opinion is that the UCR provides the best guarantee: Rationals, disenchanted, and apolitical voters favor the Radicals over the Peronists by a margin of nearly 2 to 1.

The tendencies change sharply when the subject is economic solutions. The bulk of the sympathizers have faith in the Peronist message, which is also supported by rational and apolitical independents. Nonetheless, what is striking in the area of economics is that more rationals trust the UCD than the UCR, and that the UCD is the party that enjoys the most favorable image among the disenchanted independents, that is, those who may have cast their lot with other factions and lost.

The apolitical respondents' high degree of support for the PJ's economic possibilities could be attributed to the socially and politically alienated sectors' expectations regarding the redistributionist orientation of the Peronists.

At any rate, one aspect of both issues is more significant than the expressions of support: the omissions, that is, the large number of "don't know" and "no response" answers indicated in the charts. This is no coincidence, and it probably reflects the opinion of most independents that none of the parties presented as an option will strengthen democracy or improve the economy.

Approximately one-third of the apolitical and disenchanted respondents question, albeit obliquely, these parties' ability to strengthen democracy. And this doubtful attitude becomes even more apparent when they are asked about their confidence in the ability of the main parties to straighten out the economic situation: More than 50 percent of the apolitical and disenchanted respondents express skepticism.

According to the gloomy outlook of these independents, those parties will not solve the economic situation and will not even strengthen democracy, if that is really something that interests them.

Independents and Disenchanted

The independents (rationals, disenchanted, apolitical) are free to decide how to vote, but perhaps it is the disenchanted who switch parties most often. They are searching from one party to another, and they express the least loyalty.

Between 1983 and 1988, it seems clear that the relative weight of the sympathizers has grown in the UCR, while the independents are leaning increasingly toward other forces, especially the PJ and the UCD. The Peronist movement, moreover, is garnering the support of independents who still claim to be independent but are switching horses in midstream.

The questions about sympathizers' and independents' voting plans for the presidential election next year are not comparable to the short-term orientations of other surveys, but are aimed at identifying the underlying tendencies of the respondents.

The Equas conclusions indicate that the UCR, the PJ, and the UCD alike find their principal support among sympathizers, although it is noteworthy that the Peronists enjoy the support of almost as many rational independents as do the Radicals, and that more disenchanted respondents support the Peronists.

Even more startling is the fact that the UCD has more rationals and disenchanted respondents among its potential voters than the PJ and the UCR, no matter how much the apoliticals lean toward the two larger parties. This latter trend is explainable to some degree by the socioeconomic level of these respondents.

It is also significant that nearly 20 percent of the sympathizers, 29 percent of the rationals, more than 24 percent of the disenchanted, and 21 percent of the apoliticals declined to answer or claimed not to know whom they would vote for.

This is an important constituency that presumably does not feel represented by any of the alternatives offered on the candidate market. It is obvious that a growing number of voters are saying, "I don't belong to any party, and before casting my ballot I want to see what the candidates say, what they did before, and what they promise us this time."

Composition of the Electorate: Plans To Vote for President in 1989 According to Party Identification

Self-described as:	In 1989 will vote for:			
	UCR	PJ	UCD	CIS [group of independents and sympathizers]
Sympathizers	43.8	44.8	35.2	18.8
Rational Independents	17.4	16.0	23.5	29.0
Disenchanted Independents	13.6	17.2	29.7	24.3
Apolitical	17.2	15.8	8.8	21.0
Total	100.0	100.0	100.0	100.0

The Radical Civic Union and the Justicialist Party have almost the same percentage base of sympathizers. In the Democratic Center Union the base shrinks a little, but the participation of rationals and disenchanted voters increases. The PJ has almost the same percentage of independents as the UCR. But there is a strong tendency to blur distinctions. (Source: Equas)

[Box, p 24] Good and Bad

The independents, in the opinion of some pundits, have ascended to the category of political myths. The fact that they are so rational and well-informed, so skilled in weighing all the alternatives, reminds us of Adam Smith's "homo economicus." The ideal political market, in which political demands are expressed only through rational evaluations and decisions, does not exist as such. What does exist is decisions made more or less rationally by subjects under pressure, tugged by their personal histories, the images they receive, their identification with certain ideas, the competition between their values and interests, their hatreds and fears. The

profile that comes closest to this ideal voter is the one we have called the "rational independent," which represents a third of all independents. Another third corresponds to a less idyllic, more disturbing category: the "disenchanted independents." Among these voters, the severance of their former ties with a given party is confused with their frustration and skepticism about all parties. They are all alike, they tell us. The remaining 30 percent are none other than the voters who are "apolitical" out of ignorance, apathy, unconcern. I don't care about politics, they tell us.

The rationals express their doubts about the efficacy of the parties, and therefore play an active, questioning role. The disenchanted appear to question the legitimacy of the party system. The apolitical express their alienation from the political system: They are on the fringes.

The mythicizing of the independents does not recognize these differences, and reduces the vast sum to just one of its parts, the rationals. This same mythicizing process tends to detract from the "dependents," those who are party members or who sympathize or identify with a party. Our data show, however, that the "bad guys," that is, the sympathizers, are better informed and more interested in politics than the independents, and that they are more actively involved and concerned with the country's problems. And they identify more with the system of democratic freedoms. The delicate balance of a democratic political system requires independents (who question the crystallization of the parties), but it also requires sympathizers with strong party afiliations.

Esteban Lijalad, Director of Equas

Bolivia

Central Bank Reports on International Reserves

PY3011155188 La Paz La Red Panamericana in Spanish 1130 GMT 30 Nov 88

[Summary] Central Bank President Jacques Trigo has reported that the Bolivian international net reserves are approximately $400 million and that the gross reserves are $100 million.

Special Forces Arrest 'Wanted' Drug Dealer

PY3011111488 Madrid EFE in Spanish 0156 GMT 30 Nov 88

[Text] La Paz, 29 Nov (EFE)—The Interior Ministry's Social Defense Secretariat reported that today the Special Forces for the Struggle Against Drug Trafficking arrested Rosa Flores de Cabrera, known as "Chola Rosa," one of the most wanted women in the Bolivian drug trafficking network.

The source indicated that "Chola Rosa," who sold about ½ a ton of cocaine per week, was arrested in the Chapare region, 400 km east of La Paz.

Bolivian narcotics officials have been pursuing "Chola Rosa" for a long time. Not long ago they arrested Rosa Angulo de Fernandez, who also trafficks cocaine. She, however, does not have the power or the connections that "Chola Rosa" has.

The sources added that investigations on this case continue because it is believed that a much larger network of cocaine manufacturing and trafficking linked to "Chola Rosa" may be dismantled.

Antinarcotics Forces Seize Drugs, Make Arrests

PY2411122988 La Paz PRESENCIA in Spanish 19 Nov 88 p 6

[Text] During operations in four Bolivian departments between 11 and 17 November, the Antinarcotics Special Forces confiscated more than 73 kg of drugs, destroyed 7 cocaine factories and 7 mixing pits, and arrested 12 drug traffickers, 5 of whom were placed at the disposal of the Attorney General.

According to an official report, 544.5 grams of drugs were seized in La Paz, 70 kg in Cochabamba, 970 grams in Santa Cruz, and 1,950 grams in Tarija. Of this total, only 1,044 grams were incinerated.

During the operations, 110 liters of diesel oil, 100 pounds of lime, 10 liters of kerosene, and 10 liters of sulphuric acid were destroyed.

The drug traffickers who were placed at the disposal of the Attorney General are: Nelly Franco Roldan, Leonidas Calle Medina, Braulio Davalos, Erasmo Choque, and Macario Chacon Cruz.

Brazil

Sarney Arrives at Brasilia Air Force Base

PY0112005788 Brasilia Domestic Service in Portuguese 2100 GMT 30 Nov 88

[Text] President Jose Sarney has just arrived at the Brasilia Air Force Base, and left for the Alvorada Palace, where he will meet chief of the President's Civil Household, Ronaldo Costa Couto, to establish the new minimum salary.

Senate Committee Approves Charges Against Sarney

PY0112030788 Rio de Janeiro Rede Globo Television in Portuguese 2155 GMT 30 Nov 88

[Text] The CPI [Senate Investigative Committee on Corruption], which investigates irregularities in the government, today approved a report by Senator Carlos Chiarelli in which the PFL senator of Rio Grande do Sul State proposes to indict government officials, including the president of the Republic.

Seven senators fully approved the report. Senator Alexandre Costa voted against the report, while two other senators approved the report but rejected the indictment of President Sarney.

The CPI report also calls for the indictment of Transportation and Public Works Minister Jose Reinaldo Carneiro Tavares, Finance Minister Mailson da Nobrega, Planning Minister Joao Batista de Abreu, and National Legal Adviser General Saulo Ramos.

Other federal government officials—and even former ministers, such as former Planning Minister Anibal Teixeira—have also been included in the report.

Today, the chief of the President's Civil Household, Ronaldo Costa Couto, commented upon the approval of the report, which investigates the mismanagement of public funds, holds President Sarney responsible for this crime, and asks that he be punished.

[Begin Costa Couto recording] I feel that to propose the punishment of President Sarney, holding him responsible for such a crime, is something that he does not deserve, because of his public performance, his service to the country, and his seriousness as a statesman. [end recording]

Irrigation Accord With Soviets Said Possible

PY0112025588 Brasilia Domestic Service in Portuguese 2100 GMT 30 Nov 88

[Text] Brazil and the USSR may sign accords dealing with irrigation and water resources.

Interior Minister Joao Alves has met with members of the Soviet Ministry of Water Resources [as heard]. Brazil would like to acquire the experience of the USSR in several projects, including the construction of pipelines for the northeastern region, irrigation facilities at Merim Lake in Rio Grande do Sul, and a project using desalination technology.

The minister said that the visit of the Soviets is a result of the visit that President Jose Sarney paid to the USSR in October.

[Begin Alves recording] The meeting with the Soviets is one of the first positive results of the visit that President Sarney made to the USSR, where the groundwork was laid for commercial relations and for technological assistance in some areas in which the USSR has made extraordinary progress. [end recording]

The Soviet delegation will also meet with Irrigation Minister Vicente Fialho. The Soviets have vast experience in irrigation projects, because the USSR has 20 million hectares of irrigated land.

Japan Wants To Buy Uranium for Nuclear Fuel

PY3011171988 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Nov 88 p A-4

[Text] Rio de Janeiro—The Japanese state Nuclear Power Corporation (PNC) [preceding three words in English] wants to by uranium from the Rio Cristalino uranium deposits (some 200 km south of Carajas, Para State) to fuel its nuclear plants as of the year 2000. This report has been released by John de Albuquerque Forman, chairman of the Brazilian Nuclear Industries (INB), ex-Nuclebras. Forman said he does not know how much uranium there is in that area. Yesterday he met with five PNC technicians, and then received the press. He said that "the Japanese want to make a deal with us."

Brazil has the fifth largest uranium reserve in the world, while Japan has no uranium reserves. Japan has 36 nuclear plants in operation, with a capacity of 28,046 mw, is building 12 more, and has 4 more on order.

According to Forman, 26 percent of the electricity used in Japan comes from these nuclear plants. Forman stated: "Japan has contracts for the supply of uranium to the end of the 1980's, but these contracts will expire in 1990. They must adopt precautionary measures." He has not revealed the size of the investment that the Japanese company will make in Brazil. Asked about the interest shown by the Japanese in an unspecified reserve, Forman stated that "the uranium in that area is rich."

The INB president reported that the project to turn natural uranium into "yellow cake" [preceding two words in English] (the first process), has been paralyzed for lack of resources. Some 6 month ago, the then-Nuclebras reported that Itatiaia was the largest Brazilian reserve, with approximately 140,000 tons of uranium. Tests conducted there have confirmed the feasibility of the project.

IBGE Releases November Inflation Statistics

PY2911234188 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 29 Nov 88

[Summary] According to the Brazilian Institute of Geography and Statistics, IBGE, the November inflation rate is 26.9 percent. Thus, this year's accumulated inflation stands at 702.5 percent. The inflation rate over the last 12 months is 816 percent. The value of the URP, price reference unit, on which salary adjustments are based, has also changed in keeping with the November inflation rate. Thus, December, January, and February salaries will be adjusted by 26.05 percent.

Police Seize Cocaine, Arrest 15 Traffickers

PY2911180488 Madrid EFE in Spanish 1418 GMT 29 Nov 88

[Summary] Campo Grande, Brazil (EFE)—It was reported here that Bolivian chemist Ignacio Salazar Torres and 14 other Brazilian drug traffickers were

arrested on 28 November by the Corumba Federal Police. The drug traffickers were carrying 17 kg of cocaine and 30 kg of marijuana. One of those arrested has said that at least 500 women are involved in drug trafficking operations between Bolivia and Brazil.

It was also reported that Salazar is responsible for several small cocaine processing laboratories in Quijarro (Bolivia) from where 15 kg of cocaine per day are sent to Brazil.

Chile

Pinochet Requests Resignation of All Governors

PY3011163988 Santiago Radio Chilena Network in Spanish 1618 GMT 30 Nov 88

[Text] This is a last minute report. A few minutes ago General Augusto Pinochet requested the resignation of all governors throughout the country.

Major General Gonzalez Named Chief of Staff

PY3011152788 Santiago Domestic Service in Spanish 0930 GMT 30 Nov 88

[Text] Major General Jaime Gonzalez Vergara assumed office as Army chief of staff in a ceremony held on the ninth floor of the Defense Ministry building. He is replacing Maj Gen Roberto Soto Mackenney.

Minister on Rapprochement With Eastern Europe

PY3011151188 Madrid EFE in Spanish 0413 GMT 30 Nov 88

[Text] Santiago, 29 Nov (EFE)—Today in Santiago Chilean Foreign Minister Hernan Felipe Errazuriz said that it is positive for the Chilean Government to strengthen ties with eastern bloc countries, beginning with economic relations.

Errazuriz told a group of Chilean businessmen that the government intends "to maintain constructive ties with all countries that respect international law."

He said the Western countries are Chile's main trade partners and that "the ties that bind them to Chile are even stronger than our common roots and similar culture."

After the 11 September 1973 coup d'etat that ousted Socialist President Salvador Allende, the Chilean military regime broke diplomatic relations with all Socialist countries except Romania and Yugoslavia.

General Pinochet's regime later strengthened trade relations with the PRC; economic delegations began to exchange visits, and the two countries initiated several joint ventures.

In 1988, Soviet Lada vehicles entered the Chilean market, and, reportedly, Yugoslav Yugo cars will start being sold in the country in the next few months.

Economy Minister on Economic Growth, Inflation

PY3011160088 Madrid EFE in Spanish 0955 GMT 30 Nov 88

[Excerpt] Santiago, 30 Nov (EFE)—Economy Minister General Manuel Concha has reported that Chile had a positive economic growth in 1988 and the inflation rate was 50 percent lower than in 1987.

An optimistic Minister Concha said that in December the trade balance surplus will amount to some $2 billion—52 percent more than the amount registered in the previous 12 months.

The minister gave special emphasis to the fact that Chilean exports this year increased by 32 percent and will amount to some $6,704 million.

In the opinion of government and opposition economists, these figures are especially important if we take into consideration that, although national life in 1988 was especially marked by the plebiscite electoral campaign and political insecurity, the national economic growth was not affected, as could be seen in the figures released monthly by the Central Bank.

Minister Concha said that Economy Ministry studies show that exports will amount to more than $7 billion in 1989 and to some $8 billion in 1990.

Imports will increase from $5,394 million in 1989 to $6,281 million in 1990, thus reducing the trade surplus to some $1.6 billion.

Regarding the inflation rate, Minister Concha said the 1988 inflation rate will be slightly higher [as received] than last year's, which amounted to 21.5 percent. "This shows," he said, "that Chile is one of the few Latin American countries with a low inflation rate, and that our measures to control the inflation rate, which so directly affects the destitute, are good."

He added: "The government will continue to fight inflation relentlessly." [passage omitted]

* Political Negotiations With Opposition Advocated

33480024a Santiago EL MERCURIO in Spanish 26 Oct 88 p A-3

[Editorial: "Position on the Constitution"]

[Text] Recent statements by the president of the republic as to the government's position on the Constitution which is now in effect must be analyzed in a broad historical and political context. First, the chief executive's declaration of intentions with regard to rigorous

adherence to the timetable for the Constitution corresponds to the minimal responsibility required of a serious leader who, under the present circumstances, can in no way contribute to the generation of hopes that tend to produce an institutional power vacuum, which the country rejects.

The above does not mean that certain specific provisions of the Constitution may not be subject to change. Reform is legal since, like any constitution, it contains the means for its own amendment.

This process, though difficult once the genuinely democratic period is initiated, is a swift at present. This fact was acknowledged by the president himself, who in 1984 studied the feasibility of this course of action which was ratified by the members of the government junta on several occasions.

The need for maintaining the stability of the Constitution must be made compatible with the need for seeing to it that its institutions have the voluntary support of most of the citizenry. This is due to the fact that—contrary to what is usually, and erroneously, believed to be the case—these institutions cannot "per se" create or impose political realities. The latter have their own dynamism, and the law and the Constitution can only more or less adequately regulate the course they follow.

Everything leads us to anticipate that during the approaching year a large part of the debate will deal with the issue of the Constitution. This is due to two basic reasons. On the one hand, large sectors of the opposition feel in retrospect that the conditions under which the 1980 Constitution was approved were not conditions which allowed for freedom of expression reflecting the will of the citizens; they deny its legitimacy, disagree with part of its content and accept it only as a fact.

On the other hand, while the 5 October referendum was clearly of importance from a legislative standpoint and exclusively as concerns the person who was to illegally retain the presidency, it nonetheless constituted a political event that will have major consequences and impact. Now, it is not easy to determine the purely political significance of the opposition's victory and no one can assume the right to attribute it to a unanimous feeling inasmuch as the desires implicit in the "no" vote are recognizedly plural and diverse. However, the fact of the matter is that, by virtue of the outcome of the election, the opposition has come to have a new legitimacy that is transforming it into a valid participant in the debate whose demands for a transfer of power must be considered by a responsible government.

Negotiating is not a sign of weakness; rather it is the best way to reach mutually satisfactory agreements. Experience shows that postponement of debate on the Constitution during a period of transition in the long run results in more drastic and prolonged revisions, which promotes instability and weakens the efficacy of emerging democracies.

Without prejudice to the above, it is up to the constitutional government alone to determine the form these discussions will take and when they will be held, a decision that will have to be reached after an evaluation of the actual power of each one of the parties to the debate and of the possible consequences of failure to reach an agreement.

Official Says Government Open to Dialogue

PY3011201488 Santiago Television Nacional de Chile Network in Spanish 1700 GMT 30 Nov 88

[Text] Minister Secretary General of Government Miguel Angel Poduje has said that the government has not changed its position regarding the dialogue with democratic sectors, adding that the opposition must analyze this attitude and act accordingly.

[Begin Poduje recording] The government remains open toward dialogue. It has been said that the dialogue has been conditioned, but the preconditions are very simple. The institutional system must be respected. That is, if we respect the Constitution we can talk about its provisions. This is just a logical and obvious background for formal, honest dialogue. This cannot actually be regarded as a precondition; it is an essential factor for dialogue between civilized people who seek a national accord. Therefore, we cannot really say that there are preconditions. The attitude in favor of dialogue remains unchanged. We are actively working with many people who are engaged in politics. I believe that under such simple conditions the possibilities for a conversation remain open. Parties are confronting their own particular difficulties, but the attitude of the government remains unchanged. I believe everyone should realize that conditions are not against dialogue; instead, they are ripe for a fluent, logical dialogue. [end recording]

PDC's Aylwin Willing To Accept Candidacy

PY3011152688 Santiago Domestic Service in Spanish 2200 GMT 29 Nov 88

[Text] Patricio Aylwin, president of the Christian Democratic Party [PDC], has said that he will accept the presidential candidacy of his party if the PDC wants him and if the party is able to garner the support of the opposition.

Aylwin added that the PDC's internal elections, held on 27 November, were not held to nominate a presidential candidate, but that the meeting was obviously supported by the PDC leadership he heads.

He said that the presidential nomination and other political steps will be decided by the PDC National Board, which plans to meet next week, but will meet no later than 8 January 1989.

Aylwin also confirmed that he has met with Gabriel Valdes and Eduardo Frei, who have denounced alleged irregularities in the internal elections. Aylwin told them that he was willing to cooperate but that the internal elections were under the control of several organizations.

The Aylwin campaign command reported that out of 47 provincial presidents, 28 voted for Aylwin and that the election of delegates cannot be questioned. The leaders supporting Aylwin said that the results obtained in the elections give Aylwin a majority and that they hope to get the same result during the PDC National Board meeting.

Regarding the presidential candidacy, Aylwin said that he has no personal ambition and that if a better candidate with greater support is found he will not be an obstacle for the party to go on with its plans.

Valdes Faction: 'Irregularities' Termed 'Serious'

PY3011144988 Santiago Domestic Service in Spanish 0930 GMT 30 Nov 88

[Text] The faction that supports Gabriel Valdes' candidacy has termed the irregularities committed in the internal elections of the Christian Democratic Party as serious. In a statement released a few hours ago, this faction denounced changes made in the voters list that establishes the number of militants who can vote.

The statement adds that irregularities were also detected in various provinces, thus preventing elected representatives from being named until all complaints are answered.

The statement says that none of the pre-candidates has obtained a majority of votes, that elections have not yet been held in several provinces, and that 12 percent of the delegates are still to be elected. It adds that a second round of voting will elect 15 percent of the provincial presidents.

The statement concludes by saying that definite figures will be released within the next few hours in those provinces where elections were held with no irregularities, and that Valdes still has a good chance of wining.

* Conservative Leaders Meet With Pinochet

33480024b Santiago EL MERCURIO in Spanish 21 Oct 88 pp C-1, C-8

[Article: "Lunch With the President at La Moneda: 'Yes' Groups Agree To Create a Common Platform"]

[Text] The agreement to establish a common platform to cooperate in the next presidential and parliamentary elections, since "circumstances are forcing the right to unite," was one of the chief decisions reached at the luncheon meeting between the president of the republic, General Augusto Pinochet, and the leaders of the seven political parties or movements that supported the "yes" vote in the referendum.

According to reports, at the end of the meeting the chief of state emphasized that he would not run in the next presidential election because the republic's political Constitution does not permit it.

In connection with this, the chief executive stressed the fact that reform of the Constitution would not be effected during the present period but that, once democratic institutions are in full operation, the possibility of improving it might be considered.

Some of the leaders present at the lunch also said that it is easier to obtain election agreements than it is to achieve party mergers since "it is perfectly possible to arrive at an effective coalition while respecting the different characteristics of each party or organization."

All of them agreed that a cabinet reshuffle was not on the agenda of topics discussed on this occasion.

The meeting began at 1315 hours. Attending the meeting were the chairmen of the following parties: Sergio Onofre Jarp, of the National Renewal Party; Sergio Miranda Carrington, of the National Vanguard; Patricio Phillips, of the National Party; Jaime Tormo, of the Democratic Radical Party; Arturo Venegas, of the Social Democratic Party; Eduardo Diaz Herrera, of the Party of the South; and Jaime Guzman, of the UDI [Democratic Centrist Independent] for Yes Movement.

Also present were the ministers of interior, labor, and secretary general of government.

Sergio Onofre Jarpa

Asked about interpretations of the meeting, Sergio Onofre Jarpa made it clear that "he would not draw a conclusion that differs from the one the country is familiar with, that is, that we have all supported and continue to support the present government of the armed forces and of law and order, and we especially support the president of the republic, the Constitution and the timetable established for this government."

He said that he was an advocate of unity of all those sectors that backed the "yes" vote in the referendum, not only those of a political nature, but also those engaged in different activities, such as production, work and culture.

With regard to future meetings of those who attended the meeting, he said that there had been no talk of that for the present, but that "it might be discussed later on."

Regarding changes in the cabinet, he said that the latter is a presidential organization, which is why it is the chief of state who chooses his ministers.

"So it is not a matter of our starting to discuss from outside the possibility of having ministers appointed to our liking. We are confident that, in the event a problem involving the resignation of or a change of the cabinet should arise, it will be resolved with the greatest propriety and basically considering the country's interests," he said.

Jaime Guzman

The chairman of the UDI for Yes Movement, Jaime Guzman, said that they talked about the steps that would have to be taken for the next electoral challenge at the meeting with the chief of state.

The leader stated that they discussed the need for all those who supported the "yes" option in the referendum to remain united "and for this 44 percent to swell its ranks with many Chileans or groups of Chileans who voted 'no' for reasons that are perfectly redeemable or surmountable."

He maintained that President Pinochet graphically described the discussion as "thinking out loud."

According to Guzman, he told them that it was not a matter of adopting resolutions or reaching final agreements, but of a preliminary exchange of certain points of view which they should continue to further explore until they succeed in outlining what might be called a strategy.

He went on to say that the idea is to repeat these meetings, whether it be with the chief executive or with his ministerial collaborators.

With respect to the "Compromise with Chile" agreement subscribed to by several groups that backed the "yes" vote, he asserted that it is the intention of certain groups to cooperate with one another, "which, above and beyond whether a document is signed or not, exists on the part of all of us who make up the 'yes' coalition and who promote a completely free and increasingly just society in the future."

Asked how they would succeed in reunifying those sectors when his movement had problems with the National Renewal Party, Guzman replied, "I believe that it's much easier to obtain election agreements than it is to achieve party mergers."

"Mergers force groups to lose their identities and to join a single group, which often brings with it more difficulties than advantages. On the contrary, if we respect the different characteristics of each party or faction, given the fact that there are different political styles and leanings among them, it is perfectly possible to arrive at an effective coalition for election purposes, which is what the immense majority of the country is really demanding," he added.

Patricio Phillips

The National Party chairman, Patricio Phillips, assured us that the most important point made at the meeting is that "the 'yes' union means progress for Chile."

Later on he said that "the circumstances are forcing the right and also all of those classes of our society that represent an anarchistic system to be united on law and order and economic progress."

He added that each of those attending the meeting discussed issues from his own point view and "we agree to unite and create a common platform to attract those sectors that voted 'no' and which ideologically belong to the 'yes' contingent."

Asked about the possibility of establishing a coalition, he said that that is premature since "with the passage of time we'll see how the different points of view mesh and which of the groups are the most powerful."

Phillips also indicated that some of those present at the lunch voiced the possibility that the chief of state might be the candidate they would jointly support in the next elections, but he said that the chief of state took it upon himself to point out to them that this is impossible inasmuch as the Constitution prohibits it.

Sergio Miranda C.

National Vanguard chairman Sergio Miranda Carrington noted that it was a sociable and amicable meeting during which President Pinochet thanked those groups that backed the "yes" vote for their efforts.

He also indicated that the why and the wherefore of the defeat in the referendum was discussed, adding that "there were a fair number of opinions, different views" on the topic and he went on to say that "we all agreed on some points."

He declined to comment on what these points of agreement were, indicating that he did not wish to interpret what other leaders had said at the lunch, but he underlined the fact that National Vanguard has already made its own anlysis of the reasons for the adverse outcome of the referendum, which were made public at a press conference held after the election.

He said that, in his opinion, economic benefits have not reached the poorest sectors and that it was necessary to appoint a political coordinator for the campaign. "This was of importance in terms of the outcome." He also criticized the health sector and the situation of pensioners.

He said that Pinochet was very receptive to all the proposals and contributed valuable facts and information. "The president retains marvelous lucidity and mental agility, which is really enviable. He was very capable of keeping up with the pace of the dialogue," he said.

He also emphasized that among those present "there was absolute agreement that the Constitution should not be modified."

Asked whether the National Renewal Party was also of this opinion, he asserted that "all those present were. I'm not a spokesman for the National Renewal Party, but there were no differing opinions, at least none that were expressed."

On the agreement dubbed "Compromise with Chile," he expressed the hope that it would be subscribed to by the largest possible number of people and said that it is open to all, including those who voted "no."

Jaime Tormo

Meanwhile, the Democratic Radical Party chairman, Jaime Tormo, indicated that one of the basic concerns expressed by the president of the republic is that economic factors continue to develop favorably so that economic progress continues.

"Without a doubt," he said, "that is his chief concern because some people, interestingly enough, are beginning to say that the fact that the 'no' vote won may mean that there will be a flight of capital and that there will be no foreign investments."

Tormo also noted that the chief of state has instructed the minister of interior to continue to meet with the leaders who were present "in order to, in the light of the new data, study what could be done with respect to unification of all the 'yes' groups and to discuss those problems we believe must be resolved."

Among the latter, he mentioned the situation in the health and education sectors.

Arturo Venegas

Social Democracy chairman Arturo Venegas noted that it was "a meeting that was very useful for clarifying certain things."

"The president," he went on, "informed us about many subjects, about how he plans to progress with matters, and he especially urged us to work together during the next parliamentary election, to start to organize ourselves, to reach agreement among ourselves, to maintain unity and to set aside all our differences."

* Likely Course of Economic Policy Viewed

33480028b Santiago ANALISIS in Spanish
24 Oct 88 pp 30-32

[Article by Nelson Soza Montiel: "Shift By the Populist Right?"]

[Text] The 1989 draft budget for government expenditures, which the Junta received a week before the plebiscite and which was officially made public a few days after it, is the most accurate picture of what economic policy would have been like had the yes vote won. It is also the most accurate preview of the changes that Minister Hernan Buchi's team will certainly have to make in midstream. The regime will very likely try to create conditions as favorable as possible for a candidate who represents its interests and can insure the continuation of its "model."

The government's draft budget was debated in the various ministries until August, and the Finance Ministry put the final touches on it in mid-September (the public-sector budget, which also includes state-run enterprises, is supposed to be released no later than December). It is as conservative and tough as economic policy has been under Buchi's iron hand, the only "slip" being the heavier spending he was forced into in the months prior to the plebiscite. Expressed in constant pesos (and assuming an inflation rate of 10 percent in 1989), government spending for the coming year will be 11 percent below this year's. And even if we do not consider the loss of buying power, there was a major cut in the appropriations for the Regional Development Fund, housing and subsidies; funding for health care and education remained unchanged. Assuming that it had the yes vote in its pocket, the government concentrated the bulk of investment in areas with less visible short-run effects (public works) or areas in which support for the model through the efforts of the municipalities was dictated by "doctrine."

The Scenario That Never Was

Assuming that the yes vote would win and that austerity would be needed, the government clearly intended to block any increase in pay for civil servants and in pensions for retired government workers. It also sought to completely do away with the POJH [Jobs Program for Heads of Household] and the PIMO [Labor-Intensive Program], delegating the responsibility for creating more jobs exclusively to private enterprise. This scenario also explains the instructions that the Finance Ministry gave about what to do with the large surpluses that high copper prices have yielded so far ("transfer them directly to a special program for prepaying the internal and external debt"), and it explains the dogma that was reflected in the aim of this policy ("prevent the public sector from growing"). Government economic circles told ANALISIS that the document "is unquestionably of recent origin, but prior to the plebiscite." The same sources revealed that the surpluses from copper would be around $1 billion this year, $450 million of which remain for current budget use and the remaining $550 million going into a "buffer fund" in the event of any sudden drops in copper prices.

A victory of the yes vote and the continuation of its "model" would have enabled the economic team "to turn off the spigot" on 1988 consumption, to get back on track, and to put behind it some of the flagrant contradictions into which it had lapsed during the euphoria of

the plebiscite. For example, the figures compiled by the Central Bank for this year showed a higher level of consumption and, therefore, a rate of investment lower than the one publicized in a slick pamphlet put out by ODEPLAN [National Planning Office] (which projected the numbers out to 1997). As a result of the expansion prior to 5 October, the Central Bank accepted an investment rate of 16.8 percent, whereas ODEPLAN inflated it to 18 percent. Owing to differences such as this, Minister Buchi will now owe more than one explanation to the foreign investors who received the ODEPLAN document.

Had the yes vote won, it would even have been easier to stem the "untenable expansion of the money supply that the Central Bank had engaged in in every month prior to the plebiscite." According to economist Juan Villarzu, the growth in real terms reached 30 percent over the past 12 months up to August, 40 percent in September and around 50 percent in the first half of October. To this end, lower government spending had already been envisaged, possibly accompanied by a hike in interest rates to "soak up" the excess money in circulation. Even in the first 2 weeks after 5 October, various specialists and circles close to the government stressed the need for a "mini-adjustment" like the one in early 1987. Adviser Julio Salas even contended: "Either we take measures now or we will have to devalue (revalue the dollar) next year." And in an editorial EL MERCURIO cited the possibility that the government "will have to react conservatively (read, by lowering spending) to the excess in liquidity."

The Inflation 'Bogeyman'

This entire panorama changed with the no vote victory. And with it changed the policies and tools that Buchi's team will have to resort to until late 1989 and that are now much more dependent than before on the government's political objectives. One option is to keep on doing "more of the same," to ignore the new context that has developed since 5 October, to defuse the monetary time bomb and to apply a tight tourniquet to the economy to prevent renewed outbreaks of higher prices.

The inflation "bogeyman" is beginning to make his presence felt (the consumer price index, CPI, is expected to be up 1.3 to 1.5 percent this month), and explanations abound. Gerardo Aceituno, the head of the Forecasting Workshop of the Labor Economy Program, attributes the mounting inflationary pressures to the impact of the wage hike and higher international interest rates on domestic prices. He recalls that the prices of farm products have been "virtually frozen for a year" and that this explains the huge gap between the wholesale price index, which fell one percent during the past 12 months, and the CPI, which rose 12 percent during the same period. "The situation could not be sustained, except if businessmen wanted to sacrifice their profit margins, which have so far not been affected, because the VAT was cut."

Juan Villarzu, in contrast, places most of the blame for the inflationary pressures on the excessive quantity of money. Oddly enough, however, the uncertainty that developed after the victory of the no vote is presumably having an effect somewhat similar to the "mini-adjustment." He reports that small- and medium-sized businessmen are postponing their investment plans, and thus their demand for credit has fallen off. The dilemma facing them and other "economic agents" is whether to spend the money or to deposit it. The Central Bank comes into play here, because "not having to compete with the banks, it can begin soaking up some of the money in circulation without boosting interest rates too much. Moreover, they are already quite high: 5 percent for 90-day operations, as against 4.2 percent during the first half." In addition, it could resort to its sizable monetary reserves and "burn up" foreign exchange on higher imports to absorb some of the excess liquidity. "I'm thinking about devaluations (of the peso) somewhat similar to the ones this year."

Options After the No Victory

In any event, the large mass of money in circulation and the existing inflationary pressures (whatever their cause) "constitute an explosive situation," which according to Villarzu the government will not ignore. Because "if it has any political accomplishment left, it is the victory over inflation." And the tightening up will be even more severe if the finance minister insists on achieving a 5-percent rise in the CPI in 1989, as the draft budget sent to the Junta calls for. Even the Central Bank regards this goal as dangerous. A high-level Central Bank executive said that "it is valid to aim for an inflation rate like that in the developed countries, but we have to be careful because unemployment (which would trigger a heavy concentration of spending) remains high."

On the other side of the government's economic card are the already visible and strong pressures that the right has begun to apply so that the government will increase spending in 1989 or at least not reduce it. The right also wants the government to take actions that are more populist in nature or that have less visible effects on voters. Significantly, experts on Buchi's own team are the ones who are admitting that political demands can be given to some extent without ignoring certain principles. Gaining ground, as a result, are an increase in the minimum wage ("to pave the way for higher pay in private enterprise") and further cuts in the VAT (the rumor of a cut to 12 percent was already making the rounds before the plebiscite) and in the tax on capital. But the privatization of enterprises is still strongly supported as well. Everything points in the same direction: "Reduce the size of the public and government sector and, at the same time, narrow the maneuvering room on taxes for a government different from this one." If it is similar, so much the better.

The IMF Has the Last Word

The International Monetary Fund, which is expected to visit in the second week of November, will provide the key to the path that is ultimately chosen. The delegation

is coming mainly to approve the 1989 economic program, and experts close to Buchi believe that is "highly probable" that he will try to obtain more flexible conditions for spending, as long, of course, as this is the second, not the first option. For example, "demanding a budget deficit of 1.5 percent of the GDP (double what was authorized for 1988) or one very close to what it was in 1987," plus an expansion of 6 to 6.5 percent in consumption, to be financed with some of the at least $550 million that has been built up so far in the copper "buffer fund."

What could the economic team put on the table to support its requests? First: "The need to assure the continuity of the model through a candidate that favors it." After that, several other things: revenues of over 100 billion pesos and more than double the "goal" set this year for privatization of enterprises; more than enough liquid assets to cover the current-account deficit (they stand at $150 million in 1988 and will be around $200 million next year), and lastly, the price of copper, which remains high.

If the IMF accepts these and other demands from an economic team that itself is under heavy pressure (from inside and outside the government), the Junta will not even have to postpone approval of the expenditures budget that is already in its hands. This is the purpose of the "flexibility standards," which are approved by simple Finance Ministry decree.

Late last week the powerful Chilean Security Association (which represents 800,000 employees and some 17,000 small, medium, and large firms) delivered a well-documented study with economic projections for 1989. The study does not bode at all well for the masses. It lowers economic growth to around 4.5 to 5 percent (down 1 from 1988) and ups inflation to 14 to 16 percent, while pay increases just 2 to 4 percent (it estimates 5 to 7 percent for this year), the price of copper declines and the current-account deficit expands. But as its general manager, Eduardo Undurraga admits, all of this work was done before the plebiscite. Nevertheless, he asserted, "what we have seen after the no vote victory does not make us change our estimates."

The study by the Chilean Security Association by and large points in the direction of conservatism and austerity, like the draft government expenditures budget that was drawn up for the scenario of a yes victory. Things are not, of course, the same now that the no vote has won, and the economic team is faced with new problems and different challenges. As on other occasions, the IMF will have the last word.

Terrorists Attack Carabineros Van, Youth Injured

PY3011144288 Santiago Domestic Service in Spanish 0930 GMT 30 Nov 88

[Excerpt] We can inform you that two people have sustained bullet wounds as a result of an extremist attack on a Carabineros van on the corner of 30 de Octubre and La Blanca Streets, La Victoria neighborhood. Jorge Toro Espinoza, 17, sustained a bullet wound in the head and has been taken to the Barros Luco Hospital. He is in critical condition. Another boy, Paulo Molina Pereira, was wounded in the leg and was taken to the same hospital.

According to the latest reports, at least four terrorists fired their handguns at Carabineros Van No 457. The van belongs to the 42d precinct. Carabineros reacted immediately, thus preventing more people from being injured in the attack in southern Santiago.

Carabineros have reported that the two wounded people have nothing to do with the extremists. They are innocent victims who were merely walking by the location when the terrorists attempted a surprise attack on the police patrol.

Moreover, at 5098 Rodrigo Araya Street, Mackul neighborhood, an electric pole was knocked down by a bomb explosion. [passage omitted]

Colombia

President Barco To Attend Salinas Inauguration

PA3011174388 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 29 Nov 88

[Text] President Virgilio Barco is leaving the country for 24 hours. He will attend the inauguration of Mexican President-elect Carlos Salinas de Gortari. President Barco will leave at noon tomorrow and will be accompanied only by Foreign Minister Julio Londono Paredes. Barco will return to Colombia on Thursday.

Truce With FARC, M-19 Fronts Signed in Cauca

PA3011165788 Bogota Emisoras Caracol Network in Spanish 1215 GMT 30 Nov 88

[Text] Bogota—The truce signed by two FARC fronts and an M-19 front with mayors of Cauca Department will go into effect tomorrow. The truce, which will be in effect until 31 December, was signed by the commanders of the 8th and 29th FARC Fronts and an M-19 group at a meeting with Cauca Department councilmen and mayors in a rural area of Patilla.

* Status of Rehabilitation in Choco Reviewed

33480015b Bogota EL ESPECTADOR in Spanish 3 Oct 88 pp 1-A, 9-A

[Article by Luzdary Ayala Villamil]

[Text] Quibdo—Choco has the distinction of being one of the regions where the PNR [National Rehabilitation Plan] is barely making itself seen.

The reason is basically that the Plan did not contemplate having to rehabilitate all of the Choco region. It provided only for the Uraba zone (Unguia, Ancandi, and Riosucio), which, with the spread of the Antioquian Uraba conflict, became a colonization zone for settlers from Antioquia and Cordoba. Some 2 billion pesos have been invested there. The remaining townships were added after the civically motivated work stoppage of May 1987, when the organizers of the civic movement demanded that the entire department be included in the government's plan.

Nevertheless, there was no budget for the zone this year, making it necessary to await the 1989 appropriations. This may explain why the township of Novita, at one point in time, asked President Barco to exclude it from the Plan.

It does explain why so little is to be seen of the PNR in terms of accomplishments, and so much is to be seen in terms of stagnation of a region that lacks everything, including: A spirit of cooperation among section officials, political backing, national budgetary allocations, means of communication, water, sewage, sanitation and education services—in short, an integrated development policy.

The Choco is a community entirely characterized by scarcities. Devoid of major sources of jobs, the only thing that links the inhabitants of the Choco to the department is their regional-mindedness.

The cry one hears from everyone is: 500 years of oblivion—to which, however, more than just one has shown indifference. For, throughout that long history, no one has thought in terms of a Regional Development Program. The PNR is now on the verge of entering that phase. It has contracted with the University of the Andes to carry out a study, on the basis of which it is hoped specific projects can be set up.

One of the PNR's few allies in the department, the SENA [National Traineeship Program], lacks the necessary funds—$10 million—to educate the communities in connection with development of the Plan.

The PNR's delegate in the Choco, Luz Maria Valderrama, convinced as she is of the benefits her region can derive from the Plan, asserts that development of the Choco "cannot be measured in terms of services," pointing out that the community, while demanding projects of this type, must also commit itself to different productive systems that will interrelate the Choco with the rest of the country.

Produce or Don't Come Back!

Meanwhile, only 9 of every 10 planned meetings on rehabilitation actually take place, for lack of transportation facilities, or because there is no budget for starting work on the projects being vociferously demanded by the communities of such depressed settlements as Sipi; [this settlement] survives on the basis of government contributions since it receives no revenue from real estate taxes, nor from commerce and industry, and barely perceives some $100,000 monthly in placer-mining fees. Desperation is such that some communities are asking the PNR officials not to return until the Plan's initial promises have been kept.

Until now, the PNR's accomplishments in the last 16 townships included in it have amounted to the repairing and equipping of schools, public health stations, and flood control works. For townships like Lloro, Bagado, Pizano, Pie de Pato, Sipi and Novita, the money needed for the repair of their respective schools has now been appropriated.

The most active agencies connected with the government's program have been Family Welfare, Municipal Roads, and the National Hospital Fund.

Neglect of Public Health Care

In the Choco, only some 40 percent of the populati gets public health care, owing to the difficulty of accessing a large number of rural settlements.

The principal causes of death include malaria, which affects primarily Atrato's waterside dwellers, acute infantile diarrhea, acute respiratory infections, and tuberculosis—particularly among the indigenous population—owing to the overcrowding of dwellings throughout the communities.

Sixty percent of the Choco's townships have neither a water supply system nor a sewage system. The departmental capital has become an open garbage dump, because there is no such thing as a garbage collection system, much less a waste disposal system.

The sectional Public Health Service is "short" because of a lack of budgetary funding. Victor Klinger Brahanm, its director, indicated in this regard that the money allocated to Uraba initially for public health services was immediately distributed throughout the department, preventing the implementation of public health infrastructural projects that are needed in all areas of the Choco.

The hospital, which is the only unit staffed with specialists, was built for 115 beds, but due to the deterioration of the facilities, the service has had to reduce this capacity by some 30 percent.

As for public education, the view is by no means more encouraging. According to the departmental secretary of education, at least 1,000 new teaching positions are needed, considering that teaching staff has not been increased since 1974.

The deficiency, however, is also one of infrastructure, in that most of the installations in schools and colleges, including those of the university, are in an advanced

state of deterioration, to say nothing of the critical shortage of laboratory facilities for the colleges, and the total lack of school desks. This state of things is reflected in the high rate of illiteracy, because instead of going to a school, which is either nonexistent or in ruins, the children go to the river with their parents to mine it for gold and to fish.

Added to this is the continual transfer of teachers, depending on whatever political change takes place in the sectional administration, depriving education of its continuity.

In contrast, the Choco graduates the largest number of students with teaching degrees from normal school, and has the largest number of licensed teachers who are unemployed, so that many of them go into different occupations.

On Alien Land

The biggest problem the department has always had is that, in accordance with 1959 Law #2, its land belongs to the National Forestry Reserve and not to the inhabitants of the Choco. This has a paralyzing effect on agricultural development, since, without titles to the land, the farm workers are unable to obtain loans to grow more crops.

The National Association for the Development of the Choco has not yet completed its study to determine the leading peasant farmer settlements. This study must be submitted to the INDERENA [Institute for Development of Natural Resources] to obtain the release of these zones from the Forestry Reserve.

On the other hand, more than 10 big lumber companies have been issued authorizations permitting them to exploit the forest indiscriminately, without taking into account that many of its tropical species are not renewable.

Despite their being a natural reserve, of the 403,349 hectares in which lumbering operations have been authorized, 46,439 are being worked under long-term lumbering leases, and 356,910 under purely preliminary study permits that will enable the holders to apply for long-term authorizations.

Thus, authorizations have been issued, for example, to companies such as Aserradero Covadonga, Maderas Riosucio, Triplex Pizano, Maderas de Uraba, Pizano S.A., Codemaco, Pulpapel, CUC, and Agroindustrial del Pacifico. To say nothing, of course, of the smaller-scale lumbering operations, which also are rather alarming, in that, operators are arriving in the region from as far away as Tumaco and Buenaventura with safe-conduct permits to lumber.

Entitling the Community

In an effort to improve land use, the AICA [Association of All Atrato Farm Workers] requested that the title to 600,000 hectares be transferred to the community. According to CODECHOCO [Committee for the Development of Choco], however, this method of entitlement is available only to indigenous communities, under 1967 Law #31. The alternative being offered to the farm workers of the zone requires that they show that their community comes under the denomination termed tribal or semi-tribal as encompassed in the mentioned law.

Entitling the community to ownership of the land would ensure the rational management and sustained use of its natural resources, doing away with their irrational exploitation through lawless colonization.

In another respect, the cattlemen of the northern portion of the department complain that they are not permitted to bring in cattle from the interior to increase their production, because the zone is free of foot and mouth disease. On the other hand, no other alternatives are being offered them to enable them to increase production, while herds are becoming decimated. The cattlemen are therefore demanding the construction of farm produce warehouses in localities such as Bahia Solano, and the construction of a collective farming complex.

Government inefficiency is evident in other units, such as District 9 of Obras del Choco [Choco Projects], which, according to some civic spokesmen, is awarding contracts for cleaning up navigable rivers to political friends who, in turn, subcontract the work; but the work never gets done. And as for roads, very little support has been given to projects as crucial for the department as are the Quibdo-Istmina, the Quibdo-La Manda, and the Tado-Santa Cecilia ones, the latter being the Choco's means of communication with the Department of Risaralda.

Meaning of Development

In view of the large number of projects the Choco's community is demanding, many of which are included in the social pact that was signed in the wake of the May 1987 work stoppage, the PNR delegate urges: "To start with, we of the Choco must understand what development of the department really means."

According to her, the solutions to the energy problem, for example, cannot simply be a few power plants that end up bankrupting the townships because of the high fuel and maintenance costs involved in providing energy service. Therefore, plans call for the building of several "micro" electric power plants taking advantage of the region's abundant water power resources, which begin with the plentiful Atrato River.

In this regard, work has already been completed on the plans for the Bahia Solano hydroelectric plant, and on the studies for the "micro-plant" at Jurado and the one at La Vuelta. The latter will serve Lloro and will interconnect the Bagado lines with those of the aforementioned township.

* Reasons for Lower Unemployment Presented

33480032b Bogota EL ESPECTADOR in Spanish 16 Oct 88 p 3D

[Article by Jorge Child: "More Employment and Less Investment"]

[Text] The country's current economic conditions reflect the interplay of the antagonistic forces that are seen in the contradictory statistical information.

On the one hand we have the surprising increase in jobs during the third quarter of the year and, on the other, the drop in investment in strategic sectors.

Employment Up

Unemployment in the country's four main cities (Bogota, Medellin, Cali, and Barranquilla) dropped in September to 10 percent. This is the lowest level for this month in the past 6 years, after joblessness reached its peak in mid-1986 when close to 15 percent of the labor force was out of work. Some 328,000 new jobs have been created in these four cities from July 1986 to September of this year. What is the cause of this decline in unemployment and increase in the percentage of working-age people with jobs?

DANE [National Administrative Department of Statistics] offers us a redundant explanation: the improvement in employment is the result of the sustained growth of the national economy. DANE's employment survey is based on visits to 22,000 homes in 8 cities, in 4 of which unemployment declined and in 3 of which it rose (it hit 11.5 percent in Manizales, 13.4 percent in Cartagena, and 14.5 percent, the highest rate, in Pasto). The lowest jobless rate was found in Bucaramanga, which posted 9.9 percent.

Investment Down

Exports and construction are the pacesetters in the expansion or contraction of general economic activity in Colombia's economy. Estimates are that construction will decline 10 percent this year, according to official statements by the trade union, while industry will be off 5 percent and farming 30 percent. The performance of exports is similar to last year's, and no spectacular rebound is seen to be under way. Nevertheless, our international reserves exceed $3 billion, enough to cover 1 year of imports. This relative boom in international reserves is not due to specific external loans for higher investment, inasmuch as the administration's financial policy in the area of loans has been to "recycle the foreign debt," in other words, to secure fresh funds to service the debt without drawing on reserves.

The $1.85 billion loan seems less secure with each passing day. The anxiety of creditors who were worried about a moratorium has passed, and they are no longer turning to the Baker Plan to open the floodgates to their debtors and thus avoid a suspension of payments that could hurt their liquidity. Today, recycling the trade surpluses of Germany and Japan and the decline in the U.S. trade deficit enable international banks to pursue a hard-line policy towards their Third World debtors. The obliging policy of the Baker Plan is over, burying Colombia's hopes of getting $1.85 billion. Moreover, with the fall in oil prices the exporting countries have ceased to be good clients for the international banks.

Investment in oil is up, but it is going mainly into imports of equipment that do not help to create jobs in the country, and given the high level of technology in these imports, the increase in employment attributable to this activity is relatively small.

Smuggling and Services

The increase in employment could be associated with two utterly unproductive sectors: services and smuggling. As for the bureaucratic services and volatile "investments" of the PNR, the data on the budget deficit indicate that the growth of this unproductive government spending has been one of the main reasons for the increase in the supply of jobs. Moreover, the dollars that the drug traffickers launder are largely spent on smuggled imported merchandise, and this has prompted a rise in employment in the informal sector. The increase in drug trafficking has also generated jobs in various sectors.

And in the private sector unproductive jobs are also on the rise in the consumer and "public relations" services of business administration, commerce and entertainment such as restaurants and bars. The cost of these services has been paid for with the potential savings of the company and by the consumer with credit cards, the unlimited use of which has to be restricted to prevent not only an increase in consumer spending but also a decline in personal savings.

Drug Trafficking and Employment

The cause of the short-term increase in employment in 1988 is presumably the remittances of dollars from exports of narcotics, in other words, the laundering of dollars through contraband or the sale of dollars for services to the Banco de la Republica ("back-window transactions") or for nonreimbursable or overinvoiced imports or for fictitious exports. We should also note that September is traditionally a month in which employment rises seasonally. But above and beyond this

seasonal change, the important and contradictory development is the uptrend in employment in the national economy over the past 2 years while domestic investment has been declining.

Investment and Employment

If the rise in employment is sustained by a demand for unproductive services, it means that the increase in international reserves is not being put to its best economic use for sound, self-sustained economic growth; rather, it means that larger reserves depend on events that are here today and gone tomorrow, such as the repatriation of profits from drug trafficking. We cannot count on drug trafficking to sustain the foreign-trade sector to the same extent in the future as it has in recent years. The spending by drug traffickers on land, luxury apartments, conspicuous consumption, personal security, etc. is not linked to the new production and services technologies that are required for clear-cut, stable progress in every modern economy; such spending is tantamount to a colossal waste of capital in spite of the unproductive jobs that it temporarily creates.

When resources are allocated in times of rising unproductive employment due to incidental improvements in foreign trade and higher deficit spending, a solid foundation is not being built to prevent the downturn that is foreshadowed by the falloff in investment in the traditionally strategic sectors of the Colombian economy, such as construction, industry and agriculture.

The economic horizon is being distorted today by the mirage of higher employment. This mirage of employment indices hides unproductive jobs and must not make us lose sight of the downturn in investment in strategic, pacesetting sectors and in technologies that can spread progress around in a productive manner. Instead, we are seeing money spent by a nouveau riche consumer society that is patterning itself after the emerging drug trafficking bourgeoisie, with its three main activities today: the conspicuous gringo consumption that draws such attention to it, financial swindles and hanky-panky in government contracting.

* Unemployment Concentrated in Under-30 Group

33480032c Bogota EL ESPECTADOR in Spanish 24 Oct 88 pp 1-A, 8-A

[Article by Ricardo Luna Cano: "Seventy-Two Percent of the Unemployed Are Under Age 30"]

[Text] Last September the jobless rate fell to 10 percent. Finance Minister Luis Fernando Alarcon Mantilla announced that by the end of this year we would be in single digits.

Bogota—Of every 100 unemployed workers in our country's four main cities (Bogota, Medellin, Cali and Barranquilla), 72 are less than 30 years old.

According to the Administrative Department of Statistics (DANE), more than half of the people who have been looking unsuccessfully for work are between 20 and 30.

This panorama is discouraging in spite of the recent news that the unemployment rate had fallen to 10 percent. Nevertheless, the two phenomena are consistent with trade union references to the fine performance of the economy and evidence of widespread insecurity in the main urban centers because of gangs of juvenile delinquents.

Violence persists even though underemployment has fallen as well. Whereas in 1985 18 percent of the Colombian labor force described itself as underused or undervalued in relation to their available time or their earnings expectations respectively, by the end of last September the percentage was down to 14, giving a total of 519,000 underemployed persons in the 4 cities.

At the end of September, Barranquilla had the lowest jobless rate (9.1 percent), followed by Bogota (9.4), Cali (10.8) and Medellin (11.7). Traditionally, more jobs open up during the last quarter of each year, and therefore the average rate will very likely be around nine percent by the end of the year.

Violence and Unemployment

We can assert as a hypothesis that the unemployment plaguing mostly young people is the result of the faster growth of the urban population than the rural population, owing to factors such as violence, the government's striking lack of interest in the countryside and the steady decline in importance of agricultural activities within the overall economic context.

Thus, 72 percent of the 362,412 people without jobs is accounted for by the members of a generation that in one way or another is the mirror of an especially critical era, and a lengthy one by now, which largely explains the ways that these 20- to 40-year-old Colombians have chosen to deal with their own economic situation and that of their families.

Developments since the 1940's, the scarcity of opportunities for people and the shaky solutions offered by successive administrations have unquestionably led Colombian youth to seek revolutionary, criminal and unpredictable solutions that are holding our country's institutions in check today.

Not even those who chose education as a way of climbing the social and economic ladder have seen their efforts rewarded. More than 70 percent of the unemployed in the 4 cities have some college preparatory studies, 14 percent spent at least one semester in university and 5 percent graduated.

A striking number of youths practice trades such as hired thug, prostitute, homosexual, beggar or common criminal. And we are not even considering the countless individuals who have been forced to engage in activities that have nothing to do with the ones for which they had some training.

There is also evidence that some boys and girls are involved with guerrilla groups because they have found no other justification for living on this planet.

A week ago the mass media reported the good news that the unemployment rate had fallen to 10 percent for the June-September quarter. This is a remarkable figure, the lowest since December 1982 (when it stood at 8.8 percent), and it was achieved unexpectedly soon, as the Barco administration had proposed to reach this goal in 1990.

Since June 1986, when after the adjustment and anti-inflation programs the jobless rate hit its recent all-time peak of 15 percent, the efforts of the economic authorities have been aimed at lowering the rate. To this end, they relied on the conclusions of the Chenery Mission, which can be summed up as a recommendation for growth of more than 5 percent a year to reach an unemployment level of under 10 percent by the end of the 1980's.

Thus, the Colombian economy is being run in accordance with orthodox principles, and its performance is bearing them out. Our fellow countrymen who are suffering firsthand the scourges of unemployment and inflation, the basic ingredients of poverty and misery, would say otherwise, though.

Each quarter DANE processes a package of information furnished by homes and extracts from it the main characteristics of the working-age residents of our most typical urban centers.

The following are some of the findings, which briefly describe the unemployed:

- Of every 100 working-age persons who have looked for jobs, 23 are doing so for the first time, while 77 have done so at least once.
- Single men and women account for 61 percent; 19 percent are married; 13 percent are living together, and the remaining 7 percent are widows, widowers, separated or divorced.
- Five of every 100 are employers or self-employed workers; 4 percent describe themselves as domestics, and 91 percent categorize themselves as white- or blue-collar workers.
- Thirty-six percent have been seeking work for 2 months or less; 19 percent for more than a year, and 45 percent between 2 months and a year.
- Twenty-nine percent are in the commercial sector, 23 percent in the manufacturing industry, 20 percent in services, 15 percent in financial institutions, 7 percent in construction, and the remaining 4 percent in transportation.

* DANE Unemployment Statistics Analyzed

33480032a Bogota EL TIEMPO in Spanish
27 Oct 88 p 5-A

[Commentary by Jose Antonio Ocampo: "What's Happening With Unemployment?"]

[Text] DANE [National Administrative Department of Statistics] revealed a few days ago that the unemployment rate in the country's four largest cities had declined in September to 10 percent. This rate, the lowest since 1982, is certainly encouraging and, hopefully, will continue in the months to come. Nevertheless, it hardly justifies the somewhat hasty victory songs of the finance minister, who is claiming that the country's return to a single-digit unemployment rate, in other words, less than 10 percent, is already guaranteed.

The truth is that far from showing a clear-cut trend towards improvement, the labor indicators have given contradictory signals throughout 1988. The very fact that the March and June unemployment figures were far from satisfactory (12 and 11.7 percent) and much higher than the level late last year, indicates that the new number revealed by DANE must be viewed with caution, at least until the clear-cut trend towards an improvement in the jobless rate that the country experienced throughout 1986 and 1987 returns. More importantly, the fact that the jobless rate may be down does not necessarily mean that the labor situation is improving.

This assertion may seem paradoxical to those who are not familiar with this sort of statistical information. It is due to how "unemployment" is defined in house-to-house surveys. Following international standards, DANE records as unemployed only those persons who are looking for jobs and do not find them. Thus, if an individual has attempted in the recent past to find work and has not and stops looking, he is registered as inactive from a labor standpoint, not as unemployed.

This "paradox" seems to be responsible for the marked drop in the jobless rate between June and September. Indeed, according to the same DANE statistics, close to 69,000 persons stopped looking for work in the four largest cities during these months. More importantly, this figure is almost identical to the decline in the number of unemployed workers, inasmuch as the total number of jobs remained practically unchanged during the quarter.

We know that throughout the year the labor indicators show changes that reflect not any improvement or worsening but instead the custom of performing certain economic activities during certain times of the year. Thus, industrial output, business sales, the demand for money and, likewise, employment tend to be high during the latter months of the year. Nevertheless, these

"seasonal" factors, as they are called, are not responsible for what happened between June and September with the number of workers looking for jobs, inasmuch as this variable does not seem to change with this kind of pattern. They are, in contrast, responsible for the apparent zero growth in jobs. Even if we correct for this phenomenon, however, the DANE figures would still indicate that employment increased by some 5,000 jobs a month during the quarter. This figure is, nonetheless, much smaller than the number of jobs that were created in the four largest cities during 1986 and 1987 (16,000 and 12,000 a month, respectively).

Thus, the government ought to look more carefully at what is happening on the labor front before making victory statements. The fact is that the labor indicators, like the indices for private activity in general, are showing much more confused signals in 1988 than was typical in the 2 previous years. In any event, the finance minister could be right when he says that unemployment will be in single digits by the end of the year. But I suspect that in this case it will be a Pyrrhic victory, because for the same "seasonal" reasons unemployment tends to decline in December. Therefore, even if his prediction comes true, I think that the minister will not be able to make the same claim in early 1989.

Peru

Garcia Views National Issues With 'Optimism'

PY3011180788 Lima Domestic Service in Spanish 1040 GMT 30 Nov 88

[Text] President Alan Garcia has voiced his optimism over the improvement of the situaiton in Peru next year.

[Begin recording] [Reporter] [Passage indistinct] What makes you say that the situation will improve next year?

[Garcia] The criticism is correct. There is a general state of depression constantly nourished by those politicians who seek to win the upcoming elections. I admit that the situation is serious, but I cannot allow people to say that it is worse than it really is.

We have to be realistic. The crisis we are currently experiencing is a crisis of subsidies. We have a deficit; we have spent a lot because we have been selling foodstuffs way below their real prices. Therefore, from the ethical point of view, the crisis is not the result of having paid more abroad or of a powerful group of people enriching themselves. The crisis came about because we have decided to provide our people with very cheap food. That is something I do not regret however.

In other words, the consumption of food and other products increased rapidly and we suddenly found ourselves without dollars left to buy or continue producing those goods. Therefore, we had to cut back that growth, which is what we have done. I have stated that, from the ethical point of view, the crisis was not brought about by negligence but rather by over-consumption. Some may say that we have consumed too much, but nobody can take away from the people that which they have already consumed.

Some maintain that after experiencing sizable growth, which has now been cut back, there is nothing left but indefinite stagnation. This is not true.

I am aware that we all have the right to be depressed and upset. However, it is my duty to remind Peruvians that they still have a lot to look forward to; the future is not bleak. Those candidates seeking support may say the future looks bad but not me, because I no longer am a candidate. I am the president and it is my duty to see that the serious problems we are facing do not cause depression and lead the people to believe that there is no hope. This is not true. It is not true for various reasons, as I have already explained in the case of oil production. If we find oil in fields Nos 1 and 2 in [name indistinct], Peru will have enough oil to export, and we will stop spending money importing oil. The copper produced by Peru is going for incredible prices. In the past it was worth $0.60 per ounce. Now it is worth $1.60 per ounce; that is $1.00 more. We are faced with a political strike in the mining sector, but the price of all our minerals has gone up automatically. Therefore, once we solve the mining problem, which is hindered by the political will of extremist leadership, our exports will grow noticeably next year.

With the adjustments made in September and November the country has reduced its consumption. Peru does not need to reduce consumption any more.

From now on all dollars obtained from the sale of minerals, of fish meal,—which is selling for an incredible price—of the oil that may be found or used, should be used solely to increse the consumption level that dropped during these past few months due to a lack of dollars. We have consumed with satisfaction and are aware that the people were undoubtedly eating better than in the past. But a time came when the dollar reserves ran out. We have not exported enough, and we are forced to increase our exports as an initial measure to obtain more dollars and thus have the necessary resources to resume the country's growth. The only way to increase exports is to increase the dollar price, but by doing so we increase the prices of those products purchased in dollars—for example wheat, bread, flour, noodles, etc. Therefore, all we can do is increase their prices somewhat. And then we are faced with the difference between the real price of the goods and the prices paid for them by the people; that difference is what is called a subsidy. To subsidize a product means selling it for less than it really costs. Rice is sold for less than half of its real price. We then have experts, politicians, saying that all subsidies must be lifted immediately.

My political and social stand is to admit that we have consumed more than necessary, and that prices are way below the real production cost. All this is true, but we cannot lift all subsidies in one fell swoop because it would be a sudden and violent measure. Subsidies must be lifted according to needs, little by little.

[Reporter] Do you believe in this new plan—in the new economic measures with which the departing economy minister disagreed?

[Garcia] He had every right to disagree with them. I think he wanted to lift all subsidies at once. The plan was to lift the price of rice from 60 to 255 intis in November and to 456 intis in December; gasoline from 250 to 980 intis [in November] and to 1.700 intis in December.

[Reporter] [words indistinct] that next year would be better than 1988. This statement was largely criticized by a vast sector of the country. What makes you say that next year will be better than this one?

[Garcia] There are several reasons. In the first place, the necessary adjustments to the economic crisis were made in September and November. As you well know we were growing at a great rate and ran out of dollars, which meant that we could not continue growing at the same rate. We were consuming goods that were highly subsidized, but some of these subsidies have already been lifted. Therefore, the expenditures of dollars for imports has been reduced and we may thus increase income on exports. The difference will represent a reserve in dollars for next year's production and consumption growth. This is one of the first reasons I am optimistic.

The second reason, which supports the first one, is that for the first time international prices favor us. For example, copper that in the past was worth $0.60 per ounce is now worth $1.60; that is, $1.00 more. Of course we are affected by the mining strike, unfortunately incited by extremist sectors linked to the Shining Path, who threaten the workers. But this strike will have to end and as a consequence the international price of our minerals will go up next year.

In the third place, fish meal also has a good price and the prospects of available biomass for the next few months is very good. This year we will establish a record fish meal production and we will be able to maintain these levels next year. Should we add up all these factors we will see that it is true that a serious economic crisis is affecting the country, but we cannot say that everything looks bad for the future, that there is nothing to hope for.

The government cannot deny the seriousness of the crisis, but neither can it nourish the lack of hope nor join the chorus of those depressed sectors who maintain that everything in the future looks bad and nothing is possible. This is not true. As I have just mentioned, Peru has great resources. Peru has investments; it has a population capable of consuming so that the industrial sector may continue producing. Our monetary problem was that we ran out of dollars. But once the corrective measures have been taken and the expenditure of dollars cut down, all that will follow will benefit the population and national production, that is, as of January which is not far off. The stabilization of our economy and the recovery of its growth are not far off. This is the important thing. [end recording]

Garcia on 'National Cabinet,' Presidential Term

PY3011145788 Lima Domestic Service in Spanish 1040 GMT 30 Nov 88

[Text] In referring to a proposal made by some politicians, President Alan Garcia has not dismissed the possibility of forming a national cabinet wherein all sectors are represented as a demonstration of the government's capacity to encompass all sectors of society.

He also termed the proposal to cut his term as biased, stating that he has the constitutional and political duty to hand the government over to the citizen who is elected by the people on 28 July 1990.

Union Calls National Strike for 1 December

PY3011155588 Buenos Aires DYN in Spanish 0320 GMT 30 Nov 88

[Excerpts] Lima, 29 Nov (AFP)—Senator Valentin Pacho, secretary general of the General Confederation of Peruvian Workers (CGTP), has announced that his organization has called for a 24-hour strike on 1 December as the labor sector's coordinated answer to the economic policy that the government is implementing.

According to the leader of the CGTP, which leans toward the communists, the strike will peak the current situation occurring in this country, in which textile, bank, public charity organizations' employees, and miners are already on strike demanding better salaries.

Public sector teachers, 200,000 of them, will join the 1 December strike. Today 43,000 social security employees began an indefinite strike and 24,000 employees from the health sector began a 24-hour strike.

The 1 December national general strike will be the fifth strike that the CGTP has called against the social-democratic government of President Alan Garcia, and the fourth that has been called this year. Pacho said this demonstrates the reaction of the unions to the worsening of the government's heinous policy. [passage omitted]

Today doctors, nurses, obstetricians, administrative personnel, and even doormen abandoned the hospitals and clinics that are managed by the social security sector demanding that the government comply with the agreement to index their salaries that was reached 1 and ½ years ago. [passage omitted]

Government Declares Emergency in Navy Shipyards
PY3011213988 Lima Television Peruana in Spanish 1800 GMT 30 Nov 88

[Text] The Government has declared a 180-day state of emergency in Sima Peru [Navy Shipyards and Arms Production Services]. The decision was made for national security reasons because the illegal strike is putting Sima Peru in a critical economic and financial situation. The activities of Sima Peru are classified by law as essential to national defense and security.

Eight Terrorists Killed During Clash With Army
PY3011110488 Lima Television Peruana in Spanish 0100 GMT 30 Nov 88

[Text] Eight subversives were killed during a clash with Army officers in Uchuytambo, Lucanas Province.

A communique was released on the incident:

The political-military command of the national security sub-zone No 5, hereby informs that:

1. On 26 November 1988, at 0400, and armed clash took place between an Army patrol and a group of subversives in Uchuytambo, Santa Lucia district, Lucanas Province.

2. In the clash, three unidentified subversives were killed and arms, ammunition, many explosives, and subversive material were seized.

3. More weapons were seized and five unidentified subversives killed when the antisubversive operations continued at 0830 that same day.

Ayacucho, 29 November 1988

Report Shows Shining Path Violence Increase
PA3011211488 Paris AFP in Spanish 1836 GMT 28 Nov 88

[Text] Lima, 28 Nov (AFP)—The Maoist Shining Path guerrillas, which control over 80 areas in Peru, have killed 1,574 people so far this year—50 percent more than in 1987—a special study revealed in Lima today.

"Subversion has reached dangerous levels to the extent that national security is at serious risk. We do not know what will come next, whether it be a coup or a civil war," former de facto president General Francisco Morales Bermudez (1975-80) said.

After criticizing the lack of plans to counter and defeat violence, the former president told the liberal weekly OIGA that the Shining Path guerrillas already control over 80 areas throughout the nation.

Since the beginning of the "armed struggle," unleashed in Ayacucho in 1980 by the followers of Abimael Guzman or "comrade president," until 21 November, violence in Peru has resulted in the deaths of 12,201 persons, according to a study released by the special commission for national peace, which is headed by United Left Senator Enrique Bernales.

During that period, 6,663 subversives, 4,745 civilians, and 793 members of the Armed Forces and police were killed. The figures do not include the 100 terrorists and 22 soldiers who were killed in an ambush on Tuesday, 22 November, in Milano (Tingo Maria), or those killed in the last few days.

According to the statistics, November was the bloodiest month of the entire armed insurgency period, with an average of 22 deaths per day.

Peruvian authorities believe the Shining Path guerrillas, following a tactical withdrawal lasting several months, have launched another bloody offensive to commemorate the 53d birthday of their leader, Abimael Guzman, on 3 December.

General Morales Bermudez said ideological penetration is a fundamental element that contributes to the problems caused by the increase in subversion and which the Shining Path guerrillas were able to use when they initiated their struggle in the Andes Mountains in Ayacucho.

"They dominated the Andean ridges, then moved toward the coast and the mountain ranges...currently, the subversive organization controls over 80 areas, especially in the northern mountain range, the southern mountain range, the central and northeastern jungles, and Lima," the former president said.

Morales pointed out the Shining Path guerrillas have dominated both "by conviction and terror," and he added that they have taken good advantage of social contradictions. "When they were unable to convince people, they resorted to assassinations, thereby the people of the mountain ranges had to accept the political presence of the organization and work for it," he said.

"The Shining Path guerrillas do not need to remain in towns, but if something goes wrong they come down and settle their accounts," Morales said. He added that one must take into account that the organization makes its appearance just when a military government leaves and a democratic one comes into power.

In this regard, Defense Minister General Enrique Lopez Albujar said on Sunday that "Peru is very far from a civil war or from a total collapse," and he added that in 1990, the Peruvian people will freely elect another constitutional government with the protection of the Armed Forces.

Lopez reiterated the Armed Forces' respect for constitutional order. He added that this commitment is more serious "in an internal situation like we are experiencing, which is much more difficult because the enemy does not show its face and takes advantage of every opportunity to harass us with violent actions."

After admitting that violence had increased in the emergency zones, he pointed out that "the imminent danger of an attack is always present, and in view of this, journalists wishing to carry out their duties should first report to the military units."

On Thursday, 24 November, in an attack that took place in Huanta, Ayacucho Department, which is being investigated by the authorities, Hugo Bustios, correspondent for the independent magazine CARETAS, was shot to death and another newsman, Eduardo Rojas, was injured while they were working.

Agreement With the Soviet Union Signed

PY0112031188 Lima Television Peruana in Spanish 0100 GMT 1 Dec 88

[Text] Enrique Cornejo Ramirez, president of the Foreign Trade Institute, has signed an agreement with Vladimir Burmistrov, Soviet deputy foreign trade minister, by which the Soviet Union will supply Peru with agricultural equipment, tools, and machinery.

Italy Gives Food, Medicine Worth $20 Million

PY3011145088 Lima Domestic Service in Spanish 1040 GMT 30 Nov 88

[Summary] The Italian Government has donated foodstuffs and medicine worth $20 million to the Peruvian Government to be distributed among the most needy sectors.

Venezuela

Carlos Perez Speaks on 'Government Plan'

PA0112020188 Caracas Televen Canal 10 in Spanish 2035 GMT 30 Nov 88

[Speech by Carlos Andres Perez, presidential candidate for the ruling Democratic Action, AD, at Victoria Avenue in Caracas—live; monitored in progress]

[Excerpts] [Passage omitted] I have included clear, realistic, and feasible ideas in my government plan. I have drafted a plan for a safe future for Venezuela. We could say this plan includes the four main and essential aspirations of the Venezuelan people: full employment, personal safety, economic stability, and well-being for all. These four goals will be, in essence, our government action plan. It will be aimed at achieving a modern Venezuela.

I consider it my duty to present, on the same day I am sworn in and during my message to the Congress, a national strategic plan- the macroeconomic policy that will clearly state the path we shall follow. However, my commitment to national development will not prevent me from saying today, and tomorrow before the National Congress, that my first responsibility is with the poor people. I must fight the poverty that is once again invading Venezuela. [applause]

I would be lying if I were to say before this huge crowd, hundreds of thousands of residents of Caracas, that I am going to decree full employment. Full employment will be the result of the efforts we will undertake with the help of all the country's sectors. Our goal will be to increase production and productivity, expand our economy with the use of selective measures that will open the path toward an effective and efficient industrialization, and increase our export possibilities and [word indistinct] the main wealth our country has. However, before we do this, we will have to confront the problem of poverty in Venezuela. It is our duty to confront this problem with direct subsidies. [passage omitted]

At this time, I wish to discuss certain political incidents that demand I speak of them clearly and truthfully. The country has been shocked by the so-called El Amparo incident, a painful incident that has occurred amid an election campaign when the strength of political propaganda can be bought to boost the interests of a specific party. This is what is happening with the El Amparo incident—the El Amparo incident that shocked and continues to shock the Venezuelan people. The Venezuelan people want to hear the truth, all the truth, and only truth about what happened in EL Amparo. [applause]

The day after the El Amparo incident, I expressed the feelings of the people. I made statements on behalf of AD and as the party's presidential candidate. I expressed my doubts regarding the report presented by those who were involved in the incident. I asked the government for a clear and specific explanation regarding the happenings. The president of the republic was abroad at the time of the incident. Upon his return to the country, he explained what had happened. The president said that even though he had received a report from those who had been involved in the incident, he had ordered an investigation and had guaranteed that the country would know the truth—that no crime would be hidden from the people.

This is what Venezuelan democracy requests. We repudiate, we are hurt over, and we protest the loss of life as was the case in El Amparo. However, we also know things like this unfortunately happen throughout the world, in all regimes and governments, in the most civilized countries, everywhere. What is important is that democracy does not allow, nor should it allow, that a crime against the most precious right of man, the right to life, remains unpunished. [applause]

We are currently experiencing very important times. Only 3 days ago, at the request of a commission appointed by the National Congress—supported with

the votes of the Congress majority, the AD—a military court was asked to order the exhumation of the bodies of the men who died in El Amparo and to perform autopsies to try to find out how our fellow countrymen died. They were Venezuelan citizens and, as I said before, they supported me as presidential candidate. [applause]

Three days have already passed, and I am sure an official report has been presented by the coroners who performed the autopsies. It would be absurd and incomprehensible that the results would be withheld from the people now that the autopsies have been performed. If those men died as a result of a clash, there should be no reason to withhold those results; if the autopsies show those men died as a result of unacceptable circumstances, the people have a right to know. I hereby ask the president of the Republic to inform the people of the results of the autopsies performed on the bodies exhumed in El Amparo. [applause] I am not asking this because I feel the government will not disclose the results of the autopsies, I am making my request public—in my own voice, with my own words, and with the AD's voice—because I want you to know that the AD, the president, and the members of the party will never support an incident that represents an offense to human dignity, much less shameless violence against the right to life. I am sure the president will disclose the results of the investigation.

I do not think it is right to use, for political purposes, an incident that has shocked the people. The whole world has been made aware of the scandal, and I do not think it is right to use it to cast doubts on the honor and honesty of a democratic government such as the one we, the people of Venezuela, are proud to have and support. [passage omitted]

Another problem some have tried to exploit, a problem mentioned by Jose Luis Rodriguez, is one of incredible irresponsibility—a lack of scruples—that embarrasses and hurts us. It is a problem that could hurt Venezuelan democracy and seriously wound our national sovereignty. I am referring to the much-discussed Gulf of Venezuela issue.

I was president of this great country of ours, and during my government our dignity and national sovereignty were never hindered or harmed. [applause] When we claimed the oil and steel industries for the state, we reaffirmed our firm and healthy nationalist nature. We reaffirmed our willingness to be the owners of every single inch of our continental and maritime territory. During my government, we did what no other government had done, we reaffirmed our sovereignty over 500,000 square km of the Caribbean Sea. [applause] As President of Venezuela, I felt we should not yield a single inch of our waters, gulf, or land. We must not only protect our rights over our territory, but we must also make all the countries of the world recognize our rights. [applause] [passage omitted]

It is not worthy of an honest Venezuelan to disregard history, to disregard the feelings of his countrymen by assuming demagogic and irresponsible positions—positions that would harm Venezuela's vital interests. As president of the Republic, supported by the trust of a great majority of the Venezuelan people, by Venezuela's international prestige, along with my experience as a leader of Latin American democracy, and the fact that my words are respected and heard around the world, I guarantee Venezuela's voice will be heard and our international rights will be respected. [applause]

Venezuelans, residents of Caracas, with this rally, I conclude my public electoral campaign in Venezuela. [passage omitted]

Defense Minister Comments on Border Incident

PA3011134988 Paris AFP in Spanish 0531 GMT 29 Nov 88

[Excerpt] Caracas, 28 Nov (AFP)—Venezuelan Defense Minister General Italo del Valle Alliegro [as received] promised today that the military courts that are investigating the death of 14 fishermen in a confusing incident on the border "will respect the truth, whatever it may be."

This was the minister's first comment since opposition deputies reported last weekend that the bodies of the victims showed that they had been shot in the back of the neck. This shows that the official version, which says that the fishermen were killed in a confrontation with the Armed Forces, is a lie.

"We must have confidence in the military courts, and those courts will determine the facts of the matter," the general said in an interview broadcast by Radio Caracas Television. [passage omitted]

Guyana

Hoyte Outlines Government Economic Recovery Plan

FL2911193988 Bridgetown CANA in English 1737 GMT 29 Nov 88

[Text] Georgetown, Guyana, Nov 29, CANA—A Guyana Government plan aimed at achieving economic recovery will be "purgatory before paradise," President Desmond Hoyte is reported by the official media as having told People's National Congress [PNC] supporters at a weekend conference.

The state-owned Guyana Broadcasting Corporation (GBC) said Hoyte told the two-day meeting that the proposed three-year recovery programme will bring with it serious problems, difficulties and hardships which Guyanese must be prepared to endure.

Guyana is seeking an International Monetary Fund agreement as part of measures to turn around the economy of this hard currency-starved country.

Hoyte said it would be folly to think that Guyana could achieve economic success without having to undergo hardships and party comrades should rise to the challenges before them and help the party discharge its responsibilities as an agency for development.

He said that for too long, Guyanese had been talking about Guyana's potential wealth but the time had come for this potential wealth to be converted into real wealth. He said the recovery programme might make the PNC temporarily unpopular in some quarters but party members would have to be courageous.

The GBC also quoted Hoyte as saying that the recovery programme was designed to tackle Guyana's problems at their roots and was absolutely necessary if the day-by-day problems being experienced by Guyanese were to be removed.

One of the main goals of the programme, he added, was the widening of the country's economic base so as to end the country's dependence on the three main traditional exports—sugar, bauxite, and rice.

Hoyte was also reported to have called on party supporters to be aware of subtle tactics being used by forces lined up against the PNC and designed to create doubts in the minds of citizens and disunity in the society.

He was said to have singled out the Guyana Human Rights Association and the overseas media, in particular, for special mention and criticism.

Ruling Party Moves To Strengthen Secretariat

FL0112000288 Bridgetown CANA in English 1515 GMT 30 Nov 88

[Text] Georgetown, Guyana, Nov 30, CANA—Guyana's ruling People's National Congress (PNC) is moving to strengthen its secretariat. Political analysis said it could be an indication the party was gearing for national elections due by December, 1990.

According to the state-owned Guyana Broadcasting Corporation (GBC), the decision to beef up the secretariat was announced by party leader, President Desmond Hoyte, in an address to the seventh annual regional conference of region four of the PNC. GBC quoted Hoyte as saying that in keeping with the strengthening of the secretariat, Guyana's ambassador to the Soviet Union, Malcolm Parris, will be returning home to take up an appointment in February as the PNC's chief executive officer, a newly created post. In addition, a number of long-standing and experienced members of the party will be employed by the party to complement the staff at what is expected to be a reorganised secretariat, GBC reported.

Hoyte's announcements have come amidst some criticism in the PNC circles that he has been neglecting the party machinery as he attempts to focus on resolving the problems of the economy. Party sources said Hoyte stressed the party needs to be strengthened to make it more independent of the government and better equipped to deal with some matters which are best dealt with by the party and not by the government.

He reportedly did not go into details about preparations for general elections constitutionally due by December 1990, but noted that there has been some speculation in the society that the government might decide to hold "snap elections."

PNC officials said that even with the creation of the new post of chief executive officer of the party, vice president - national development, Ranji Chandisingh who is also the deputy leader of the PNC will continue to serve as the party's general secretary. However, as chief executive officer, Parris, who was senior minister of eduction and a senior functionary within the PNC before he was posted to Moscow in 1986, will be expected to play a major role in the day by day operations and activities of the PNC, they said.

They also explained that as part of the current drive to strengthen its secretariat, the PNC will be taking steps to computerise its operations.

Suriname

Smugglers Killed in Incident on Marowijne River

FL2911211588 Paramaribo International Service in English 1730 GMT 29 Nov 88

[Text] There was a shooting incident on the Marowijne River between November 23d and 24th last. According to a statement made by the French Embassy in Paramaribo, four persons died and six others were wounded during the shooting. The persons, who were traveling in a boat at the time of the incident, were smuggling goods on the Marowijne River at the eastern border of Suriname. According to reports, the smugglers were attacked by four armed men.

The Surinamese authorities are now investigating the incident.

Netherlands Mercenaries 'To Train' Brunswijk

FL2911202688 Paramaribo International Service in English 1730 GMT 29 Nov 88

[Text] The SURINAME NEWS AGENCY [SNA] reports that a few days ago, six Dutch mercenaries arrived in French Guiana. The mercenaries were fully militarily equipped. They were received in French Guiana by the Dutch Colonel (Van Desenbrook) who works for the Dutch Intelligence Service. The SNA further reports that the mercenaries have left for East Suriname to train the terrorist gang of Brunswijk.

A so-called advisor of the Brunswijk Gang had stated in Holland that the terrorists have received ammunition and weapons. He also stated that the Brunswijk Gang is making preparations for attacks in Paramaribo and on military objects.

Meanwhile, the terrorists have between Sunday and Monday night last attacked the military barracks in Albina. The attacks were repelled by members of the National Army.

Citizens Express Support to Front Leaders

FL2911201188 Paramaribo International Service in English 1730 GMT 29 Nov 88

[Text] Surinamese in Holland have yesterday on the 2d day of the visit to that country of the three Front leaders [Front for Democracy and Development leaders Willy Soemita, Henck Arron, and Jaggernath Lachmon] presented a letter of support to the Surinamese politicians. The letter states in part that the development aid is not a favor but a right of the Surinamese people. It further says that Holland must recognize that Suriname is a full-fledged nation and has to respect its sovereignty. The letter also says that Surinamese in Holland fully support the three leaders Arron, Soemita, and Lachmon.

Today the three Surinamese leaders will hold discussions with the chairmen of the First and Second Chambers of the Dutch parliament. Also billed for today are discussions between the Front leaders and the vice president of Holland Ruud Lubbers, Foreign Affairs Ministers Van den Broek, Development-Cooperation Minister Piet Bukman, and Finance Minister Herman Ruding.

The three Surinamese leaders will this evening be the guests of honor of Her Majesty The Queen Beatrix.

Moederbond Trade Union Chairman Reelected

FL2911210188 Paramaribo International Service in English 1730 GMT 29 Nov 88

[Text] Fred van Russel has been reelected chairman of the Moederbond Trade Union Federation at the union's constitutionally held 11th triannual congress. This is the 3d time in succession that Fred van Russel has been elected to the top position of the union. His new term of office will last until 1991.

In an evaluation, which was made by the trade union leader, of Moederbond's activities, several matters were discussed. Regarding the political situation, Van Russel said that after the elections of last year in November, the people are once again racially divided. The Moederbond chairman is of the opinion that this is very dangerous for the Suriname community.

Citing the Moederbond as an example where racial tension does not exist, Van Russel pointed to the fact that the workers' interests, regardless of race, is of paramount importance and added that the rest of the society should take a cue from this.

The congress approved a number of motions dealing with the war situation in East Suriname, creation of jobs, [word indistinct] restructures and price inflation, public health, and the role and function of the trade union movement, the political and developmental process of Suriname.

The Moederbond congress lasted from November 23d to the 25th.